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WATER SUPPLY CONTRACTORS

LEGEND

		MAXIMUM ANNUAL ENTITLEMENT Acre Feet
	FEATHER RIVER AND UPPER FEATHER RIVER	
1	Plumas County Flood Control & Water Conservation District	2,700
2	Butte County	27,500
3	Last Chance Creek Water District (Annual Interim Contract)	0
4	City of Yuba City	9,600
	Subtotal	39,800
	NORTH BAY	
5	Napa County Flood Control & Water Conservation District	25,000
6	Solano County Flood Control & Water Conservation District	42,000
	Subtotal	67,000
	SOUTH BAY	
7	Alameda County Flood Control & Water Conservation District-Zone 7	46,000
8	Alameda County Water District	42,000
9	Santa Clara County Flood Control & Water District	100,000
	Subtotal	188,000
	SAN JOAQUIN VALLEY	
10	Oak Flat Water District	5,700
11	Empire West Side Irrigation District	3,000
12	Tulare Lake Basin Water Storage District	110,000
13	Hacienda Water District	8,500
14	Dudley Ridge Water District	57,700
15	Devils Den Water District	12,700
16	Kern County Water Agency	1,153,400
	Subtotal	1,351,000
	CENTRAL COASTAL	
17	San Luis Obispo County Flood Control & Water Conservation District	25,000
18	Santa Barbara County Flood Control & Water Conservation District	57,700
	Subtotal	82,700
	SOUTHERN CALIFORNIA	
19	Mojave Water Agency	50,000
20	Antelope Valley-East Kern Water Agency	138,400
21	Palmdale Irrigation District	17,300
22	Littlerock Creek Irrigation District	2,300
23	Crestline-Lake Arrowhead Water Agency	5,800
24	San Bernardino Valley Municipal Water District	98,000
25	Desert Water Agency	38,100
26	Coachella Valley County Water District	23,100
27	San Gorgonio Pass Water Agency	17,300
28	Ventura County Flood Control District	20,000
29	Upper Santa Clara Valley Water Agency	26,500
30	San Gabriel Valley Municipal Water District	28,800
31	City of West Covina	11,500
32	The Metropolitan Water District of Southern California	2,000,000
	Subtotal	2,477,900
	Total	4,206,400

State of California
THE RESOURCES AGENCY
Department of Water Resources

Bulletin No. 141

THE CALIFORNIA STATE WATER PROJECT

WATER SUPPLY CONTRACTS

Volume II

NOVEMBER 1965

EDMUND G. BROWN
Governor
State of California

HUGO FISHER
Administrator
The Resources Agency

WILLIAM E. WARNE
Director
Department of Water Resources

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LOCATION OF WATER SUPPLY CONTRACTING AGENCIES

STATE OF CALIFORNIA
THE RESOURCES AGENCY
EDMUND G. BROWN, Governor
HUGO FISHER, Administrator, The Resources Agency

DEPARTMENT OF WATER RESOURCES
WILLIAM E. WARNE, Director

B. ABBOTT GOLDBERG, Chief Deputy Director
REGINALD C. PRICE, Deputy Director Policy
NEELY GARDNER, Deputy Director Administration
ALFRED R. GOLZE', Chief Engineer

UTILITY COMMITTEE
William E. Warne, Chairman

B. Abbott Goldberg
Reginald C. Price
Neely Gardner
Alfred R. Golze'
Robin R. Reynolds
John E. Hunt
Donald R. Sandison
John R. Teerink
Harold G. Davis
Helen T. Moss, Secretary

DIVISION OF OPERATIONS

This report was prepared under the direction of

Robin R. Reynolds . . . . . Division Engineer

by

Wayne MacRostie . . . . . Chief, Contracts and Repayment Branch
Theodore H. Rhody . . . . . Chief, Water Contracts Section

Assisted by

Robert A. Lounsbury
William H. Davis

CALIFORNIA WATER COMMISSION

RALPH M. BRODY, Chairman, Fresno

WILLIAM H. JENNINGS, Vice Chairman, La Mesa

JOHN W. BRYANT, Riverside

JOHN P. BUNKER, Gustine

IRA J. CHRISMAN, Visalia

EDWIN KOSTER, Grass Valley

JOHN J. KING, Petaluma

NORRIS POULSON, La Jolla

MARION R. WALKER, Ventura

WILLIAM M. CARAH
Executive Secretary

ORVILLE L. ABBOTT
Engineer

INTRODUCTION

Bulletin No. 141, "The California State Water Project, Water Supply Contracts", currently consists of two volumes containing reproductions of each of the 31 long-term contracts which the State, through the Department of Water Resources, has executed with local agencies.

The locations of the water supply contracting agencies are shown on the Frontispiece. General information relating to each agency; including type of water service, maximum annual entitlement, area and population; is shown in Table 1.

Volume I contains complete reproductions of the first five contracts executed together with all amendments thereto as of May 1, 1965.

Volume II contains the essential parts of those 26 contracts which were executed after approval of "Standard Provisions for Water Supply Contract" by the Director of the Department of Water Resources on August 3, 1962. Each of these 26 contracts utilize the Standard Provisions and thus are identical through Article 44, except for the items of information included in the five blanks therein which are unique to the applicable agency. The Standard Provisions are therefore reproduced herein only once.

Each of the contracts included in Volume II contain 12 tables identified by the letters A through I. The information covered in each table is as follows:

Table A	Annual entitlements
Table B	Allocated proportion of costs of the project transportation facilities
Table C	Projected allocation of capital costs of the project transportation facilities
Table D	Capital cost components of the Transportation Charge

Table E	Minimum operation, maintenance, power, and replacement components of the Transportation Charge
Table F	Variable operation, maintenance, power, and replacement components of the Transportation Charge
Table G	Payment schedule of the Transportation Charge
Table H	Project transportation facilities
Table I	Aqueduct reaches

Contract Tables B through G are reproduced only once as Table B is completed in the originally executed contracts only to the extent of showing the applicable aqueduct reaches and Tables C through G are left blank. The reach information in Table B for each contractor is duplicated in Table I under the heading "Aqueduct Reach".

Those portions of each of the 26 contracts which have been fully reproduced herein are the Special Provisions which are set forth in Article 45 of each contract; Tables A, H and I; the contract signature page; and all contract amendments executed prior to May 1, 1965. Preceding the reproduced portions of each contract is a data sheet containing factual information concerning the contracting agency as well as the five items of information unique to the agency which are inserted in the blanks of the Standard Provisions of each contract.

Although none of the contracts included in this volume are reproduced in full, the exact contents of any one of them may be determined by referring to: "Standard Provisions for Water Supply Contract" beginning on page 3; Tables B through G beginning on page 37; the applicable data sheet; the reproduced portion of the contract; and the contract amendments.

Pages of this volume are numbered consecutively in the lower outside corner of each page. Numbers in the center of pages are the same as those appearing in the original document.

State of California

THE RESOURCES AGENCY OF CALIFORNIA

Department of Water Resources

STANDARD PROVISIONS FOR WATER SUPPLY CONTRACT

APPROVED AUGUST 3, 1962

HUGO FISHER	EDMUND G. BROWN	WILLIAM E. WARNE
Administrator	*Governor*	*Director*
The Resources Agency of California	State of California	Department of Water Resources

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(t) "Project Repayment Period"
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STATE OF CALIFORNIA

DEPARTMENT OF WATER RESOURCES

CONTRACT
BETWEEN THE STATE OF CALIFORNIA DEPARTMENT OF WATER RESOURCES AND
FOR A WATER SUPPLY

THIS CONTRACT, made this ..... day of ..... pursuant to the provisions of the California Water Resources Development Bond Act, the State Central Valley Project Act, and other applicable laws of the State of California, between the State of California, acting by and through its Department of Water Resources, herein referred to as the "State", and

a public agency in the State of California, duly organized, existing, and acting pursuant to the laws thereof with its principal place of business in ..... , California, herein referred to as the "Agency".

WITNESSETH, That:

WHEREAS, the State is authorized to construct and operate facilities for the storage and conveyance of water, certain of which facilities will make water available to the Agency; and

WHEREAS, funds will be provided under the California Water Resources Development Bond Act for the construction of said facilities; and

WHEREAS, the Agency is desirous of obtaining a supply of water from the State;

NOW THEREFORE, it is mutually agreed as follows:

A. INTRODUCTORY PROVISIONS

1. DEFINITIONS

When used in this contract, the following terms shall have the meanings hereinafter set forth:

(a) Bond Act

"Bond Act" shall mean the California Water Resources Development Bond Act, comprising Chapter 8 (commencing at Section 12930) of Part 6 of Division 6 of the Water Code.

(b) System

"System" shall mean the State Water Resources Development System as defined in Section 12931 of the Water Code.

(c) Delta

"Delta" shall mean the Sacramento-San Joaquin Delta as defined in Section 12220 of the Water Code on November 8, 1960.

(d) Contractor

"Contractor" shall mean any entity contracting with the State for a dependable supply of water made available by the System, except such water as is made available by the facilities specified in Section 12934(d)(6) of the Water Code.

(e) Project Facilities

"Project facilities" shall mean those facilities of the System which will, in whole or in part, serve the purposes of this contract by conserving water and making it available for use in and above the Delta and for export from the Delta, and by conveying water to the Agency. Said project facilities shall consist specifically of "project conservation facilities" and "project transportation facilities", as hereinafter defined.

(f) Project Conservation Facilities

"Project conservation facilities" shall mean such project facilities as are presently included, or as may be added in the future, under (g) and (h) below.

(g) Initial Project Conservation Facilities

"Initial project conservation facilities" shall mean the following project facilities specified in Section 12934(d) of the Water Code:

(1) All those facilities specified in subparagraph (1) thereof.

(2) Those facilities specified in subparagraph (3) thereof to the extent that they serve the purposes of water conservation in the Delta, water supply in the Delta, and transfer of water across the Delta.

(3) A reservoir near Los Banos in Merced County as specified in subparagraph (2) thereof.

(4) The reach of the San Joaquin Valley-Southern California Aqueduct extending from the Delta to a reservoir near Los Banos in Merced County, to the extent required for water conservation through conveyance of water diverted from the Delta to offstream storage in said reservoir as determined by the State.

(5) Those facilities specified in subparagraph (5) thereof which are incidental to the facilities included under (1), (2), (3), and (4) above.

(6) Those facilities specified in subparagraph (7) thereof which are necessary and appurtenant to the facilities included under (1), (2), (3), (4), and (5) above.

(h) Additional Project Conservation Facilities

"Additional project conservation facilities" shall mean those project facilities provided for in Section 12938 of the Water Code which will serve the purpose of preventing any reduction in the minimum project yield, as hereinafter defined.

(i) Project Transportation Facilities

"Project transportation facilities" shall mean those project facilities:

(1) Specified in Water Code Section 12934(d)(2) which are described in Table H of this contract;

(2) Specified in Water Code Section 12934(d)(5) which are incidental to the facilities included under (1) above;

(3) Specified in Water Code Section 12934(d)(7) which are necessary and appurtenant to the facilities included under (1) and (2) above.

(j) Project Water

"Project water" shall mean water made available for delivery to the contractors by project conservation facilities and the transportation facilities included in the System.

(k) Minimum Project Yield

"Minimum project yield" shall mean the dependable annual supply of project water to be made available, estimated to be 4,000,000 acre-feet per year, sa amount to be determined by the State on the ba of coordinated operation studies of initial project co servation facilities and additional project conservatio facilities, which studies shall be based upon:

(1) The estimated relative proportion of deliveri for agricultural use to deliveries for municip use for the year 1990, and the characterist distributions of demands for these two us throughout the year.

(2) An allowable reduction in the agricultural u portion of the minimum project yield, due t drought, of not to exceed fifty percent (50% in any one year, nor a total of one hundre percent (100%) of one year's supply in an series of seven consecutive years.

(3) Agreements now in effect or as hereafte amended or supplemented between the Stat and the United States and others regarding th diversion or utilization of waters of the Delt or streams tributary thereto.

(l) Annual Entitlement

"Annual entitlement" shall mean the amount of pro ect water to be made available to a contractor dur ing the respective year, at the delivery structure provided for such contractor, under the terms of it contract with the State.

(m) Maximum Annual Entitlement

"Maximum annual entitlement" shall mean the max imum amount of project water to be made availabl to a contractor in any one year, at the delivery struc tures provided for such contractor, under the term of its contract with the State.

(n) Supplemental Conservation Facilities

"Supplemental conservation facilities" shall mea those facilities provided for in Section 12938 of th Water Code which will serve the purpose of supply ing water in addition to the minimum project yield and for meeting local needs.

(o) Supplemental Water

"Supplemental water" shall mean water made avail able by supplemental conservation facilities, in exces of the minimum project yield.

(p) Year

"Year" shall mean the 12-month period from Januar 1 through December 31, both dates inclusive.

(q) Year of Initial Water Delivery

"Year of initial water delivery" shall mean the yea when project water will first be available for delivery to a contractor pursuant to its contract with the State

r) Project Interest Rate

"Project interest rate" shall mean the weighted average of the interest rates paid by the State on bonds sued under the Bond Act without regard to any remiums received on the sale thereof. Until bonds re issued and sold under the Bond Act, the project nterest rate shall be four percent (4%) per annum, nd after said bonds have been issued said rate shall e computed as a decimal fraction to five places.

s) Capital Costs

"Capital costs" shall mean all costs incurred subsequent to authorization of a facility for construction y the Legislature or by administrative action pursuant o Section 11290 of the Water Code and to the Bond ct, including those so incurred prior to the beginning f the project repayment period as herein defined and ny accrued unpaid interest charges thereon at the ates specified herein, which are properly chargeable o the construction of and the furnishing of equipment or the facilities of the System, including the costs of urveys, engineering studies, exploratory work, designs, reparation of construction plans and specifications, cquisition of lands, easements and rights-of-way, re-ocation work, and essential administrative work in onnection therewith, all as shown upon the official ecords of the Department of Water Resources.

t) Project Repayment Period

"Project repayment period" shall mean that period f years commencing on January 1, 1961, and extending until all bonds secured by the pledge of revenues rovided for by the Bond Act have been repaid.

u) Municipal Use

"Municipal use" shall mean all those uses of water ommon to the municipal water supply of a city, own, or other similar population group, including uses or domestic purposes, uses for the purposes of commerce, trade or industry, and any other use incidental hereto for any beneficial purpose.

v) Manufacturing Use

"Manufacturing use" shall mean any use of water rimarily in the production of finished goods for arket.

w) Agricultural Use

"Agricultural use" shall mean any use of water primarily in the production of plant crops or livestock or market, including any use incidental thereto for omestic or stock-watering purposes.

x) Subject to Approval by the State

"Subject to approval by the State" shall mean subject o the determination and judgment of the State as to cceptability.

(y) Area of Origin Statutes

"Area of origin statutes" shall mean Sections 10505 and 11460 through 11463 of the Water Code as now existing or hereafter amended.

2. TERM OF CONTRACT

This contract shall become effective on the date first above written and shall remain in effect throughout the project repayment period, or for seventy-five (75) years, whichever period is longer.

3. VALIDATION

Within one (1) year after the effective date of this contract, the Agency shall submit this contract to a court of competent jurisdiction for determination of its validity by a proceeding in mandamus or other appropriate proceeding or action, which proceeding or action shall be diligently prosecuted to final decree or judgment. In the event that this contract is determined to be invalid by such final decree or judgment, the State shall make all reasonable efforts to obtain validating legislation at the next session of the Legislature empowered to consider such legislation, and within six (6) months after the close of such session, if such legislation shall have been enacted, the Agency shall submit this contract to a court of competent jurisdiction for redetermination of its validity by appropriate proceeding or action, which proceeding or action shall be diligently prosecuted to final decree or judgment.

4. OPTION FOR CONTINUED SERVICE

By written notice to the State at least six (6) months prior to the expiration of the term of this contract, the Agency may elect to receive continued service after expiration of said term under the following conditions unless otherwise agreed to:

(1) Service of water in annual amounts up to and including the Agency's maximum annual entitlement hereunder.

(2) Service of water at no greater cost to the Agency than would have been the case had this contract continued in effect.

(3) Service of water under the same physical conditions of service, including time, place, amount and rate of delivery, as are provided for hereunder.

(4) Retention of the same chemical quality objective provision as is set forth herein.

(5) Retention of the same options to utilize the project transportation facilities as are provided for in Articles 18(b) and 18(c), to the extent such options are then applicable.

Other terms and conditions of the continued service shall be reasonable and equitable and shall be mutually agreed upon. In the event that said terms and condi-

tions provide for continued service for a limited number of years only, the Agency shall have the same option to receive continued service here provided for upon the expiration of that and each succeeding period of continued service.

5. PLEDGE OF REVENUES

This contract is entered into for the direct benefit of the holders and owners of all general obligation bonds issued under the Bond Act, and the income and revenues derived from this contract are pledged to the purposes and in the priority set forth in that act.

B. WATER SERVICE PROVISIONS

6. ANNUAL ENTITLEMENTS

(a) Year of Initial Water Delivery

The year of initial water delivery to the Agency is presently estimated to be _____. To the extent practicable, the State shall notify the Agency of any change in this estimate.

(b) Agency's Annual Entitlements to Water

Commencing with the year of initial water delivery to the Agency, the State each year shall make available for delivery to the Agency the amounts of project water designated in Table A of this contract, which amounts are referred to in this contract as the Agency's annual entitlements.

(c) Obligation of State to Complete Facilities

Subject to the availability of funds, the State shall make all reasonable efforts consistent with sound fiscal policies, reasonable construction schedules, and proper operating procedures to complete the project facilities necessary for delivery of project water to the Agency in such manner and at such times that said delivery can commence in or before the year specified in subdivision (a) of this article, and continue in the amounts designated in Table A of this contract.

7. CHANGES IN ANNUAL ENTITLEMENTS; MAXIMUM ANNUAL ENTITLEMENT

(a) Changes in Annual Entitlements

The Agency may, at any time or times during the term of this contract, by timely written notice furnished to the State, request that project water be made available to it thereafter in annual amounts greater or less than the annual entitlements designated in Table A of this contract. Subject to approval by the State of any such request, the State's construction schedule shall be adjusted to the extent necessary to satisfy the request, and the requested increases or decreases in said annual entitlements shall be incorporated in said Table A by amendment thereof: *Provided*, That no such change shall be approved if in the judgment of the State it would impair the financial feasibility of the project facilities.

(b) Maximum Annual Entitlement of Agency

The maximum amount of project water to be made available to the Agency in any one year under this contract shall be that specified in Table A of this contract and in said table designated as the Agency's "Maximum Annual Entitlement." In no event shall such maximum amount of project water to be made available to the Agency be increased over this amount, except as is otherwise provided in this contract.

8. OPTION TO INCREASE MAXIMUM ANNUAL ENTITLEMENT

In the event that the maximum annual entitlements under all contracts executed by the State on or before December 31, 1963, do not aggregate the amount of the minimum project yield as herein defined, the State shall immediately notify the Agency and all other contractors, and the Agency may elect to become entitled to the uncontracted for portion of the minimum project yield in or up to an amount which bears the same ratio to such uncontracted for portion as the Agency's maximum annual entitlement bears to the total of the maximum annual entitlements of all contractors as of that date: *Provided*, That such option may be exercised only to the extent that the water involved can be put to beneficial use within a reasonable period of time. Such option shall become effective on the date that the Agency receives said notice from the State and shall remain in effect through September 30, 1964. If the full amount of such uncontracted for portion of the minimum project yield is not preempted by the Agency under this option and by other contractors through the exercise of similar options on or before September 30, 1964, the Agency may request that it become entitled to any amount of such water not so preempted. Such request shall be subject to approval by the State and shall be considered in the light of all similar requests from other contractors. The State shall approve such request only to the extent that the water involved can be put to beneficial use within a reasonable period of time. Upon the exercise of such option or upon the approval of such request the Agency's maximum annual entitlement in Table A of this contract shall be increased by the amount of the additional entitlement thereby obtained by amendment of that table, and the Agency shall become obligated and hereby agrees to pay to the State a proportionate share of the costs attributable to such increase in accordance with cost allocation principles and procedures set forth in this contract. The service of and payment for said increased entitlement shall in all respects be subject to the terms and conditions of this contract.

9. DELIVERY POINTS

Project water made available to the Agency pursuant to Article 6 shall be delivered to the Agency by the State at the delivery structures established in accordance with Article 10.

10. DELIVERY STRUCTURES

(a) Determination of Size and Location of Delivery Structures

Project water made available to the Agency pursuant to this contract shall be delivered to the Agency at such locations and times and through delivery structures of such capacities as are requested by the Agency and approved by the State.

(b) Agency Requests as to Initial Delivery Structures

Pursuant to subdivision (a) of this article, the Agency shall furnish to the State on or before ...., its written requests as to:

(1) The location of delivery structures for delivery of project water to it.

(2) The time at which project water is first to be delivered through each such delivery structure.

(3) The maximum instantaneous flow capacity in cubic feet per second to be provided in each such delivery structure.

(4) The maximum amount of water in acre-feet to be delivered in any one month through each such delivery structure.

(5) The total combined maximum instantaneous flow capacity in cubic feet per second to be provided by all such delivery structures.

(6) The total maximum amount of water in acre-feet to be delivered in any one month through all such delivery structures.

(c) Requests by Agency for Additional Delivery Structures

From time to time the Agency may request delivery structures in addition to those requested pursuant to subdivision (b) of this article.

(d) Agency to Advance Funds for Delivery Structures

The Agency shall pay all of the costs of delivery structures for the delivery of project water to it, and shall deposit with the State, prior to the commencement of construction of any such delivery structure, an amount of money estimated by the State to be sufficient to cover the costs thereof.

11. MEASUREMENT OF WATER DELIVERED

(a) Measurement by State

The State shall measure all project water delivered to the Agency and shall keep and maintain accurate and complete records thereof. For this purpose, the State shall install, operate, and maintain at all delivery structures for delivery of project water to the Agency such measuring devices and equipment as are satisfactory and acceptable to both parties. Said devices and equipment shall be examined, tested, and serviced regularly to insure their accuracy. At any time or times, the Agency or any other contractor may inspect such measuring devices and equipment, and the measurements and records taken therefrom.

(b) Agency to Advance Funds for Measuring Devices

The Agency shall pay all of the costs of acquiring and installing the measuring devices and equipment provided for in subdivision (a) of this article, and shall deposit with the State, prior to such acquisition and installation, an amount of money estimated by the State to be sufficient to cover such costs.

12. DELIVERY SCHEDULES

(a) Procedure for Determining Water Delivery Schedule

The amounts, times, and rates of delivery of project water to the Agency during any year shall be in accordance with a water delivery schedule for that year, such schedule to be determined in the following manner:

(1) On or before October 1 of each year, the Agency shall submit in writing to the State a preliminary water delivery schedule, subject to the provisions of this article and Articles 6(b), 7(b), 10 and 17, indicating the amounts of water desired by the Agency during each month of the succeeding five (5) years.

(2) Upon receipt of a preliminary schedule the State shall review it and, after consultation with the Agency, shall make such modifications in it as are necessary to insure that the amounts, times, and rates of delivery to the Agency will be consistent with the State's overall delivery ability, considering the then current delivery schedules of all contractors. On or before December 1 of each year, the State shall determine and furnish to the Agency the water delivery schedule for the next succeeding year which shall show the amounts of water to be delivered to the Agency during each month of that year.

(3) A water delivery schedule may be amended by the State upon the Agency's written request. Proposed amendments shall be submitted by the Agency within a reasonable time before the desired change is to become effective, and shall be subject to review and modification by the State in like manner as the schedule itself.

(b) Limit on Peak Deliveries of Water

In no event shall the State contract to deliver to any contractor from the project transportation facili-

ties downstream from Pumping Plant VI (Tehachapi Pumping Plant) in any one month of any year a total amount of project water greater than eleven percent (11%) of such contractor's annual entitlement for that year; or to deliver to any contractor from the project transportation facilities upstream from said Pumping Plant VI in any one month of any year a total amount of project water greater than the sum of eighteen percent (18%) of that portion of such contractor's annual entitlement for that year to be put to agricultural use, as determined by the State, and eleven percent (11%) of that portion of such contractor's annual entitlement for that year to be put to municipal use, as determined by the State: *Provided*, That if the State delivers project water to any contractor through delivery structures both downstream and upstream from said Pumping Plant VI, the foregoing limitations shall be based on an appropriate apportionment of such contractor's annual entitlement for the respective year to the respective portions of such contractor's service area to which delivery is made from the project transportation facilities downstream from said Pumping Plant VI and from the project transportation facilities upstream therefrom: *Provided further*, That the percentages set forth hereinabove may be revised for a particular contractor by amendment of this subdivision after submission to the State of that contractor's requests with respect to maximum monthly deliveries, such revision being subject to approval by the State and subject to advancement to the State by the contractor of funds sufficient to cover any additional costs of the project transportation facilities occasioned thereby, the amount of such funds to be determined pursuant to Article 24(d).

(c) Limit on Rate of Delivery to Agency

In no event shall the State be obligated to deliver water to the Agency through all delivery structures at a total combined instantaneous rate of flow exceeding _____ cubic feet per second, except as this rate of flow may be revised by amendment of this article after submission to the State of the Agency's requests with respect to maximum flow capacities to be provided in said delivery structures, pursuant to Article 10.

(d) Delivery of Water Not Delivered in Accordance With Schedule

If in any year the State, as a result of causes beyond its control, is unable to deliver any portion of the Agency's annual entitlement for such year under Table A of this contract as provided for in the delivery schedule established for that year, the Agency may elect to receive the amount of water which otherwise would have been delivered to it during such period at other times during the year or succeeding years, to the extent that such water is then available and such election is consistent with the State's overall delivery ability, considering the then current delivery schedules of all contractors.

13. RESPONSIBILITIES FOR DELIVERY AND DISTRIBUTION OF WATER

(a) State Not Liable for Operation Beyond Delivery Structures

Neither the State nor any of its officers, agents, or employees shall be liable for the control, carriage, handling, use, disposal, or distribution of project water supplied to the Agency after such water has passed the delivery structures established in accordance with Article 10; nor for claim of damage of any nature whatsoever, including but not limited to property damage, personal injury or death, arising out of or connected with the control, carriage, handling, use, disposal or distribution of such water beyond said delivery structures; and the Agency shall indemnify and hold harmless the State and its officers, agents, and employees from any such damages or claims of damages.

(b) Agency Not Liable for Operation Upstream From Delivery Structures

Neither the Agency nor any of its officers, agents, or employees shall be liable for the control, carriage, handling, use, disposal, or distribution of project water before such water has passed the delivery structures established in accordance with Article 10; nor for claim of damage of any nature whatsoever, including but not limited to property damage, personal injury or death, arising out of or connected with the control, carriage, handling, use, disposal, or distribution of such water before it has passed said delivery structures.

14. CURTAILMENT OF DELIVERY FOR MAINTENANCE PURPOSES

(a) State May Curtail Deliveries

The State may temporarily discontinue or reduce the delivery of project water to the Agency hereunder for the purposes of necessary investigation, inspection, maintenance, repair, or replacement of any of the project facilities necessary for the delivery of project water to the Agency. The State shall notify the Agency as far in advance as possible of any such discontinuance or reduction, except in cases of emergency, in which case notice need not be given.

(b) Agency May Receive Later Delivery of Water Not Delivered

In the event of any discontinuance or reduction of delivery of project water pursuant to subdivision (a) of this article, the Agency may elect to receive the amount of water which otherwise would have been delivered to it during such period under the water delivery schedule for that year at other times during the year or succeeding years to the extent that such water is then available and such election is consistent with the State's overall delivery ability, considering the then current delivery schedules of all contractors

15. AREA SERVED BY AGENCY

(a) State Approval of Sale of Water by Agency Outside Boundaries

Project water delivered to the Agency pursuant to this contract shall not be sold or otherwise disposed of by the Agency for use outside the Agency without the prior written consent of the State.

(b) State Approval of Change in Boundaries or Organization of Agency

While this contract is in effect no change shall be made in the Agency either by inclusion or exclusion of lands, by partial or total consolidation or merger with another district, by proceedings to dissolve, or otherwise, except with the prior written consent of the State or except by act of the Legislature.

(c) Map of Agency

The Agency shall provide the State with a map satisfactory to the State indicating the major existing distribution facilities and the boundaries of the Agency at the time the contract is signed and supplementary maps whenever a boundary change is made.

16. CONTINUITY AND DEPENDABILITY OF WATER SUPPLY

(a) Limit on Total of all Maximum Annual Entitlements

The Agency's maximum annual entitlement hereunder, together with the maximum annual entitlements of all other contractors, shall aggregate no more than the minimum project yield as defined herein and in no event more than 4,000,000 acre-feet of project water.

(b) State to Perfect Water Rights

The State shall make all reasonable efforts to perfect and protect water rights necessary for the System and for the satisfaction of water supply commitments under this contract.

(c) State to Report on Ability to Meet Future Water Demands

Commencing within two (2) years from the year of initial project water delivery to the Agency, the State shall submit to the agency at not more than five-year intervals a report on the State's ability to meet future demands for project water and for supplemental water, and on the State's plans for constructing additional project conservation facilities and supplemental conservation facilities. Such reports shall include all estimates, projections, and other data which the State deems relevant thereto.

(d) Construction of Additional and Supplemental Conservation Facilities

Bond funds required to be expended for the construction of additional facilities of the System under the provisions of Section 12938 of the Water Code shall be expended only for construction of additional project conservation facilities as defined herein, and related, appurtenant facilities necessary and desirable to meet local needs: *Provided*, That if at any time after 1985 the State finds that a part or all of such bond funds are not then required for the above purpose, and will not be so required within the next succeeding ten (10) years, such bond funds may be used, to the extent permitted in the Bond Act, to construct supplemental conservation facilities as defined herein.

(e) Furnishing of Supplemental Water

In planning and designing supplemental conservation facilities the State shall give consideration to the requirements and demands for supplemental water of the Agency and others who have contracted for project water. Entitlements to supplemental water shall be obtained, and repayment therefor shall be arranged, in contracts separate from contracts for project water.

17. CONSTRUCTION OF PROJECT FACILITIES

(a) Determination of Aqueduct Capacities

Subject to the rights of the Agency under subdivision (b) of this article and the other provisions of this contract, the State shall provide in each aqueduct reach of the project transportation facilities such maximum monthly delivery capability for the transport and delivery of project water to the Agency as, in the judgment of the State, will best serve the interests of the Agency and all other contractors entitled to delivery of project water from or through said facilities: *Provided*, That within three (3) months after the effective date of this contract the Agency shall furnish to the State a written request specifying such maximum monthly delivery capabilities, and the State shall give full consideration to such request in planning and designing said facilities.

(b) Criteria for Determining Capacity of Transportation Facilities

Subject to Article 45, the State shall design and construct the project transportation facilities so as to provide in each reach thereof, including reservoirs, the capacity necessary to enable delivery of project water in each year to the Agency and to other contractors in the maximum monthly amounts and at the locations, times, and maximum rates specified or provided for in their respective contracts for such year, and shall include in each such reach such capacity as is economically justified in the judgment of the State to compensate for scheduled outages for purposes of necessary investigation, inspection, maintenance, repair or replacement of project facilities, and for losses of water due to evaporation, leakage, seepage, or other causes: *Provided*, That regulatory storage reservoirs included

in the project transportation facilities may be utilized in conjunction with conveyance capacity provided in said facilities for delivery to the Agency of the foregoing monthly amounts.

(c) Inspection of Project Plans and Specifications

The Agency shall have a reasonable opportunity to inspect and study the State's plans and specifications for all project facilities and may make comments and recommendations thereon to the State. Such privilege shall also extend to any plans and specifications in connection with the use by the State, in conjunction with the project facilities, of facilities owned by an entity other than the State. The State shall not enter into any such agreement which would impair the State's ability to perform fully its obligations under this contract.

(d) Restriction on Bond Sales

No bonds shall be sold nor funds expended under the authority of the Bond Act for the construction of any aqueduct or appurtenance thereto included in the System unless and until contracts are executed which will insure the recovery by the State of at least seventy-five percent (75%) of those capital costs of the particular aqueduct and any appurtenances thereto which shall be reimbursable by the contractors as determined by the State; nor shall any bonds be sold or funds expended under the authority of the Bond Act for the construction of any project conservation facility or supplemental conservation facility, unless and until contracts are executed which, together with estimated revenues from the sale or other disposal of electrical energy generated in connection with operation of project conservation facilities and supplemental conservation facilities, will insure the recovery by the State of at least seventy-five percent (75%) of those capital costs of the particular facility which shall be reimbursable by the contractors as determined by the State: *Provided*, That the foregoing limitations shall not apply with respect to: (1) surveys, engineering studies, exploratory work, designs, preparation of construction plans and specifications, acquisition of lands, easements and rights of way, relocation work, and essential administrative work in connection therewith; (2) construction for which appropriations had been made prior to approval of the Bond Act by the voters of the State of California; and (3) construction of facilities pursuant to an agreement between the State and the United States.

(e) Failure to Complete Facilities

In the event that the State fails or is unable to complete construction of any portion or portions of the project transportation facilities necessary to deliver water to the Agency as provided in this contract, and gives the Agency written notice thereof, or by reason of such failure or inability construction of said facilities has ceased for a period of two and one-half (2½) years, the Agency, if it be not then in default and without exclusion of such other rights as it may have under this contract, may exercise the following options:

(1) The Agency may provide funds to the State in such amounts and at such times as may be necessary to enable the State to complete construction of such incompleted portion or portions of the project transportation facilities to the extent necessary for the transport and delivery of water to the Agency as provided for in this contract: *Provided*, That the State shall be and remain the owner of such project transportation facilities or portions thereof constructed in whole or in part with funds provided by the Agency, and shall be and remain obligated to operate, maintain, repair and replace such facilities to the full extent contemplated in this contract: *Provided further*, That the amount of any funds so provided by the Agency shall be credited by the State against the Agency's payment obligation under the capital cost component of the Transportation Charge, but the Agency shall be and remain obligated to pay its share of any capital costs of the above-described facilities not paid for with such funds, together with its proportionate share of the operation, maintenance, power and replacement costs of such facilities.

(2) The Agency may at its own expense, and on a joint venture basis if such an arrangement is made with other contractors having similar options, connect to the project transportation facilities constructed by the State for the purpose of receiving project water to which it is entitled under this contract. In such event and notwithstanding any other provisions of this contract, the structures for delivery of project water to the Agency pursuant hereto shall thereafter be deemed to be located at such point of connection. Specific arrangements for acquiring, constructing, operating, maintaining and replacing the Agency's facilities at the point of connection thereof with the State's facilities shall be in accordance with terms and conditions mutually agreed upon by the parties: *Provided*, That the State shall be and remain the owner of all facilities constructed by it to said point of connection, and the Agency shall be and remain obligated to pay its proportionate share of the costs thereof.

18. SHORTAGE IN WATER SUPPLY

(a) Temporary Shortages; Delivery Priorities

In any year in which there may occur a shortage due to drought or other temporary cause in the supply of project water available for delivery to the contractors, with the result that such supply is less than the total of the annual entitlements of all contractors for that year, the State shall, before reducing deliveries

of project water to all contractors, reduce the delivery of project water to each contractor using such water for agricultural purposes by a percentage, not to exceed fifty percent (50%) in any one year or a total of one hundred percent (100%) in any series of seven consecutive years, of that portion of the contractor's annual entitlement for the respective year which is to be put to agricultural use as determined by the State: *Provided*, That such percentage shall be the same for all such contractors. The maximum total reduction in deliveries allowable under the above provision shall be made before any reduction is made in project water deliveries for other uses. Any necessary reduction in deliveries of project water beyond said maximum total reduction allowable under the foregoing provision shall be apportioned among all contractors irrespective of the uses to which such water is to be put. In such event, the State shall reduce deliveries to each contractor in an amount which bears the same proportion to the total amount of such necessary further reduction that the contractor's annual entitlement bears to the total of the annual entitlements of all contractors for that year, all as determined by the State: *Provided*, That the State may apportion on some other basis if such is required to meet minimum demands for domestic supply, fire protection, or sanitation during the year. The foregoing provisions of this subdivision shall be inoperative to the extent that a contractor's annual entitlement for the respective year reflects established rights under the area of origin statutes precluding a reduction in deliveries to such contractor.

(b) Permanent Shortage; Reduction of Entitlements

In the event that the State is unable to construct sufficient additional conservation facilities to prevent a reduction in the minimum project yield, or if for any other reason there is a reduction in the minimum project yield, which, notwithstanding preventive or remedial measures taken or to be taken by the State, threatens a permanent shortage in the supply of project water to be made available to the contractors:

(1) The annual entitlements and the maximum annual entitlements of all contractors, except to the extent such entitlements may reflect established rights under the area of origin statutes, shall, by amendment of Table A of this contract, be reduced proportionately by the State to the extent necessary so that the sum of the revised maximum annual entitlements of all contractors will then equal such reduced minimum project yield: *Provided*, That appropriate adjustment in the contractors' respective financial obligations to the State under the Transportation Charge shall be made in accordance with such reduced entitlements if such reductions have not been strictly proportionate throughout.

(2) The Agency, at its option, shall have the right to use any of the project transportation facilities which by reason of such reduction in the minimum project yield are not required for delivery of project water to the Agency, to transport water procured by it from any other source: *Provided*, That such use shall be within the limits of the capacities provided in the project transportation facilities for service to the Agency under this contract: *Provided further*, That except to the extent such limitation in Section 12931 of the Water Code be changed, the Agency shall not use the project transportation facilities under this option to transport water the right to which was secured by the Agency through eminent domain unless such use be approved by the Legislature by concurrent resolution with a majority of the members elected to each house voting in favor thereof.

(c) Permanent Shortage; Contracts for Areas-of-Origin

In the event that the State, because of the establishment by a party of a prior right to water under the provisions of Sections 11460 through 11463 of the Water Code, enters into a contract with such party for a dependable supply of project water, which contract will cause a permanent shortage in the supply of project water to be made available to the Agency hereunder:

(1) The State shall: (i) equitably redistribute the costs of all transportation facilities included in the System among all contractors for project water, taking into account the diminution of the supply to the Agency and other prior contractors and the payments theretofore made by the Agency and other prior contractors in accordance with the terms of their contracts, and (ii) revise the Agency's annual entitlements and maximum annual entitlement, by amendment of Table A of this contract, to correspond to the reduced supply of project water to be made available to the Agency: *Provided*, That such redistribution of costs of transportation facilities shall not be made until there has been reasonable opportunity for the Agency to exercise the option provided for in (2) below, and for other prior contractors to exercise similar options.

(2) The Agency, at its option, shall have the right to use any of the project transportation facilities which by reason of such permanent shortage in the supply of project water to be made available to the Agency are not required for delivery of project water to the Agency, to transport water procured by it from any other source: *Provided*, That such use shall be within the limits of the capacities provided in the project transportation facilities for service to the Agency under this contract: *Provided further*, That, except to the extent such limitation

in Section 12931 of the Water Code be changed, the Agency shall not use the project transportation facilities under this option to transport water the right to which was secured by the Agency through eminent domain unless such use be approved by the Legislature by concurrent resolution with a majority of the members elected to each house voting in favor thereof. This option shall terminate upon a redistribution of costs of transportation facilities by the State pursuant to (1) above. In the event that this option is exercised, the State shall take such fact into account in making such redistribution of costs, and shall offset such use as is made of the project transportation facilities pursuant thereto against any reduction in the Agency's payment obligation hereunder resulting from such redistribution of costs.

(d) Reinstatement of Entitlements

If after any revision of annual entitlements and maximum annual entitlements pursuant to subdivisions (b) or (c) of this article, circumstances arise which, in the judgment of the State, justify a revision upward of the same, the State shall, with the consent of the affected contractor, reinstate proportionately the previously reduced entitlements of such contractor to the extent deemed justified, and shall equitably redistribute the costs of the project transportation facilities if inequities would otherwise occur as a result of such reinstatement of entitlements.

(e) Advance Notice of Delivery Reductions

The State shall give the Agency written notice as far in advance as possible of any reduction in deliveries to it under subdivision (a) of this article and, to the extent possible, shall give the Agency written notice five (5) years in advance of any reduction in its annual entitlements and maximum annual entitlement under subdivisions (b) or (c) of this article. Reports submitted to the Agency pursuant to Article 16 (c) may constitute such notices.

(f) No Liability for Shortages

Neither the State nor any of its officers, agents, or employees shall be liable for any damage, direct or indirect, arising from shortages in the amount of water to be made available for delivery to the Agency under this contract caused by drought, operation of area of origin statutes, or any other cause beyond its control.

19. WATER QUALITY

(a) Table of Water Quality Objectives

It shall be the objective of the State and the State shall take all reasonable measures to make available, at all delivery structures for delivery of project water to the Agency, project water of such quality that the following constituents do not exceed the concentrations stated as follows:

Constituent	*Unit*	*Monthly Average*	*Average for any 10-year Period*	*Maximum*
Total Dissolved Solids	ppm.	440	220	—
Total Hardness	ppm.	180	110	—
Chlorides	ppm.	110	55	—
Sulfates	ppm.	110	20	—
Boron	ppm.	0.6	—	—
Sodium Percentage	%	50	40	—
Fluoride	ppm.	—	—	1.5
Lead	ppm.	—	—	0.1
Selenium	ppm.	—	—	0.05
Hexavalent Chromium	ppm.	—	—	0.05
Arsenic	ppm.	—	—	0.05
Iron and Manganese together	ppm.	—	—	0.3
Magnesium	ppm.	—	—	125
Copper	ppm.	—	—	3.0
Zinc	ppm.	—	—	15
Phenol	ppm.	—	—	0.001

(b) Records of Water Quality

The State shall regularly take samples of water at each delivery structure for delivery of project water to the Agency, and shall make chemical and physical analyses and tests of such samples. The State shall keep accurate and complete records of all such analyses and tests, which records shall be available for inspection by the Agency at any time or times.

(c) No Liability for Failure to Meet Quality Objectives

If through no negligence of the State or its officers, agents, or employees, the State is unable to attain the quality objectives set forth in subdivision (a) of this article, neither the State nor any of its officers, agents, or employees shall be liable in any manner whatsoever for such deviation from said quality objectives.

20. SUSPENSION OF SERVICE UPON DEFAULT

In the event of any default by the Agency in the payment of any money required to be paid to the State hereunder, the State may, upon not less than six months' notice to the Agency, suspend deliveries of water under this contract for so long as such default continues: *Provided*, That during such period the Agency shall remain obligated to make all payments required under this contract. Action taken pursuant to this article shall not deprive the State of or limit any remedy provided by this contract or by law for the recovery of money due or which may become due under this contract.

21. SALE OF SURPLUS WATER

If during any year the supply of project water, after appropriate allowance for holdover storage, exceeds the total of annual entitlements of all contractors for that year, the State shall offer to sell and deliver such

surplus water for periods expiring not later than the end of such year, without right of renewal, and in a manner and at prices which will return to the State the largest net revenues practicable, and at the minimum, revenues equal to the variable operation, maintenance and power costs incurred in such service of surplus water: *Provided*, That such service of surplus water shall not interfere with the delivery of their respective annual entitlement to those contractors which do not receive surplus water in such year: *Provided further*, That not until a contractor either pays or incurs a payment obligation for its annual entitlement in accordance with the payment provisions of its contract, shall surplus water be sold to such contractor at prices less than those which would result under the application of the payment provisions of its contract: *Provided further*, That if, in the judgment of the State, the annual entitlement of a contractor desiring to purchase surplus water is unrealistically low for the year in which such purchase is to be made, the State shall, for the purpose of pricing such water in accordance with the second proviso above, consider such annual entitlement to be an increased amount determined by the State to accurately correspond to such contractor's actual requirements for project water in that year. All net revenues from the service of surplus water shall be applied in such manner that all contractors which contribute to the payment of the costs of any System facilities by which surplus water was conserved and transported in connection with such service will receive credit for a share of such net revenues in the proportion that each such contractor contributes to payment of such costs. The service of surplus water shall, in every case, be subject to the paramount right and obligation of the State to discontinue the same, in whole or in part, when required for service of project water to contractors.

C. PAYMENT PROVISIONS

22. DELTA WATER CHARGE

(a) Payment of Reimbursable Costs of Project Conservation Facilities

The payments to be made by each contractor for project water shall include an annual charge designated as the Delta Water Charge. This charge, together with the total revenues derived during the project repayment period from the sale or other disposal of electrical energy generated in connection with operation of project conservation facilities, shall return to the State during the project repayment period all costs of the project conservation facilities including capital, operation, maintenance, power, and replacement costs, which are allocated to the purpose of water conservation in, above, and below the Delta pursuant to subdivision (e) of this article during the project repayment period. Wherever reference is made, in connection with the computation or determination of the Delta Water Charge, to the costs of any facility or facilities included in the System, such reference shall be only to those costs of such facility or facilities which are reimbursable by the contractors as determined by the State.

(b) Delta Water Rate Until 1970; Components of Rate Thereafter

For each contractor receiving project water in any year through December 31, 1969, the Delta Water Charge shall be the product of $3.50 and the contractor's annual entitlement to project water for the respective year. After that date, the Delta Water Charge shall consist and be the sum of the following components as these are computed in accordance with subdivisions (c) and (d) of this article: a capital cost component; a minimum operation, maintenance, power, and replacement component; and a variable operation, maintenance, power and replacement component.

(c) Computation of the Components of the Delta Water Rate

The capital cost, the minimum operation, maintenance, power, and replacement, and the variable operation, maintenance, power, and replacement components of the Delta Water Charge, together with that portion of the revenues derived during the project repayment period from the sale or other disposal of electrical energy generated in connection with operation of project conservation facilities which is allocated by the State to repayment of the respective category of costs, shall return to the State during the project repayment period, respectively, the following categories of the costs allocated to the purpose of water conservation in, above, and below the Delta pursuant to subdivision (e) of this article: (1) capital costs; (2) operation, maintenance, power, and replacement costs incurred irrespective of the amount of project water delivered to the contractors; and (3) operation, maintenance, power, and replacement costs incurred in an amount which is dependent upon and varies with the amount of project water delivered to the contractors: *Provided*, That each of the above categories of costs shall be inclusive of the appropriate costs properly chargeable to the generation and transmission of electrical energy in connection with operation of project conservation facilities. Each component of the Delta Water Charge shall be computed on the basis of a rate which, when charged during the project repayment period for each acre-foot of the sum of the yearly totals of annual entitlements of all contractors, will be sufficient, together with that portion of the revenues derived during the project repayment period from the sale or other disposal of electrical energy generated in connection with operation of project conservation facilities which is allo-

cated by the State to repayment of the respective category of costs, to return to the State during the project repayment period all costs included in the respective category of costs covered by that component. Each such rate shall be computed in accordance with the following formula:

$$\frac{(c_1 - r_1)(1 + i)^{-1} + (c_2 - r_2)(1 + i)^{-2} + \ldots + (c_n - r_n)(1 + i)^{-n}}{e_1(1 + i)^{-1} + e_2(1 + i)^{-2} + \ldots + e_n(1 + i)^{-n}}$$

Where:

i = The project interest rate.

c = The total costs included in the respective category of costs for the respective year of the project repayment period.

r = That portion of the revenues derived from the sale or other disposal of electrical energy allocated by the State to repayment of the costs included in the respective category for the respective year of the project repayment period.

1, 2, and n appearing below c and r = The respective year of the project repayment period for which costs are included in the respective category, n being the last year of the project repayment period.

e = With respect to the capital cost and minimum operation, maintenance, power, and replacement components, the total of annual entitlements to project water of all contractors for the respective year of the project repayment period.

e = With respect to the variable operation, maintenance, power, and replacement component, the total of the amounts of project water delivered to all contractors for the respective year of the expired portion of the project repayment period, together with the total of annual entitlements to project water of all contractors for the respective year of the unexpired portion of the project repayment period.

1, 2, and n appearing below e = The respective year of the project repayment period in which the annual entitlements or project water deliveries occur, n being the last year of the project repayment period.

n used as an exponent = The number of years in the project repayment period.

(d) Application of Component Rates

The capital cost and minimum operation, maintenance, power, and replacement components of the Delta Water Charge shall be the product of the appropriate rate computed under subdivision (c) of this article, and the contractor's annual entitlement to project water for the respective year. The variable operation, maintenance, power, and replacement component of the charge shall be the product of the appropriate rate computed under subdivision (c) of this article and the number of acre-feet of project water delivered to the contractor during the respective year: *Provided*, That when project water has been requested by a contractor and delivery thereof has been commenced by the State, and, through no fault of the State, such water is wasted as a result of failure or refusal by the contractor to accept delivery thereof, said variable component during such period shall be the product of said rate per acre-foot and the sum of the number of acre-feet of project water delivered to the contractor and the number of acre-feet wasted.

(e) Allocations to Project Purposes

Prior to the time that additional project conservation facilities or supplemental conservation facilities are constructed, the Delta Water Charge shall be determined on the basis of an allocation to project purposes, by the separable cost-remaining benefits method, of all projected costs of all those initial project conservation facilities located in and above the Delta, and upon an allocation to the purposes of water conservation and water transportation, by the proportionate use of facilities method, of all projected costs of the following project facilities located below the Delta: The aqueduct intake facilities at the Delta, Pumping Plant I (Delta Pumping Plant), the aqueduct from the Delta to San Luis Forebay, San Luis Forebay, and San Luis Reservoir: *Provided*, That all of the projected costs properly chargeable to the generation and transmission of electrical energy in connection with operation of project conservation facilities shall be allocated to the purpose of water conservation in, above, and below the Delta: *Provided further*, That allocations to purposes the costs of which are to be paid by the United States shall be as determined by the United States. Commencing in the year in which the State first incurs capital costs for construction of additional project conservation facilities, the Delta Water Charge shall be determined on the basis of the foregoing allocations and upon an allocation to project purposes, by the separable costs-remaining benefits method and subject to the foregoing provisos, of all projected costs of such additional project conservation facilities.

(f) Yearly Recomputation of Rates After 1970

The rates to be used in determining the components of the Delta Water Charge pursuant to subdivision (d) of this article and to become effective on January 1, 1970, shall be computed by the State in accordance with subdivision (c) of this article prior to that date. Such computation shall include an adjustment which shall account for the difference, if any, between revenues received by the State under the Delta Water Charge prior to January 1, 1970, and revenues which would have been received under the charge prior to that date had it been computed and charged in accordance with subdivisions (c) and (d) of this article. Upon such computation, a document establishing such rates shall be prepared by the State and attached to this contract as an amendment of this article. The State shall recompute such rates each year thereafter, and each such recomputation shall take account of and reflect increases or decreases from year to year in projected costs, outstanding reimbursable indebtedness of the State incurred to construct the project conservation facilities described in subdivision (e) of this article, annual entitlements, deliveries of project water, project interest rate, revenues from the sale or other disposal of electrical energy, and all other factors which are determinative of such rates. In addition, each such recomputation shall include an adjustment of the rates for succeeding years which shall account for the differences, if any, between projections of costs used by the State in determining said rates for all preceding years, and actual costs incurred by the State during such years. Upon each such recomputation, an appropriately revised copy of the document establishing such rates shall be prepared by the State and attached to this contract as an amendment of this article.

(g) Supplemental Conservation Facilities

Upon the construction of supplemental conservation facilities, the Delta Water Charge shall be paid by all contractors for supplemental water, as well as by contractors for project water, and, together with revenues derived from the sale or other disposal of electrical energy generated in connection with operation of project conservation facilities and supplemental conservation facilities, shall return to the State, in addition to those costs of the project conservation facilities allocated to the purpose of water conservation in, above, and below the Delta pursuant to subdivision (e) of this article, all costs of such supplemental conservation facilities, including capital, operation, maintenance, power, and replacement costs, which are allocated to the purpose of water conservation in, above, and below the Delta pursuant hereto. Commencing in the year in which the State first incurs capital costs for construction of supplemental conservation facilities, the Delta Water Charge shall be determined on the basis of the allocations made pursuant to subdivision (e) of this article, and upon an allocation to project purposes, by the separable costs-remaining benefits method and subject to provisos corresponding to those contained in said subdivision (e), of all projected costs of such supplemental conservation facilities. Commencing in the same year, the computation of the rates to be used in determining the components of the Delta Water Charge shall include the annual entitlements to water under all contracts for supplemental water. If the repayment period of any bonds sold to construct supplemental conservation facilities extends beyond the project repayment period, the Delta Water Charge shall be determined and redetermined on the basis of such extended repayment period as the State determines to be appropriate.

23. TRANSPORTATION CHARGE

The payments to be made by each contractor entitled to delivery of project water from the project transportation facilities shall include an annual charge under the designation Transportation Charge. This charge shall return to the State during the project repayment period those costs of all project transportation facilities necessary to deliver project water to the contractor including capital, operation, maintenance, power, and replacement costs, which are allocated to the contractor during the project repayment period in accordance with the cost allocation principles and procedures herein after set forth. Wherever reference is made, in connection with the computation, determination, or payment of the Transportation Charge, to the costs of any facility or facilities included in the System, such reference shall be only to those costs of such facility or facilities which are reimbursable by the contractors as determined by the State. The Transportation Charge shall consist of a capital cost component; a minimum operation, maintenance, power, and replacement component; and a variable operation, maintenance, power, and replacement component, as these components are defined in and determined under Articles 24, 25, and 26, respectively. For the purpose of allocations of costs pursuant to said articles, the project transportation facilities shall be segregated into such aqueduct reaches as are determined by the State to be necessary for such allocations of costs. Subject to such modifications as are determined by the State to be required by reason of any request furnished by the Agency to the State pursuant to Article 17(a) of this contract, or by reason of contracts entered into by the State with other contractors, the aqueduct reaches of the project transportation facilities are established as set forth in Table I of this contract: *Provided*, That those costs of the aqueduct reaches from the Delta through the outlet of San Luis Reservoir which are allocated to the purpose of water conservation in, above, and below the Delta for the purpose of determining the Delta Water Charge, as hereinbefore set forth, shall not be included in the Transportation Charge.

24. TRANSPORTATION CHARGE—CAPITAL COST COMPONENT

(a) Method of Computation

The capital cost component of the Transportation Charge shall be sufficient to return to the State those capital costs of the project transportation facilities necessary to deliver water to the contractor which are allocated to the contractor pursuant to subdivision (b) of this article. The amount of this component shall be determined in two steps as follows: (1) an allocation of capital costs to the contractor, and (2) a computation of annual payment of such allocated capital costs and interest thereon, computed at the project interest rate and compounded annually, to be made by the contractor.

(b) Allocation of Capital Costs Among Contractors

In the first step, the total amount of capital costs of each aqueduct reach to be returned to the State shall be allocated among all contractors entitled to delivery of project water from or through the reach by the proportionate use of facilities method of cost allocation and in accordance with (1) and (2) below. The measure of the proportionate use of each contractor of each reach shall be the average of the following two ratios: (i) the ratio of the contractor's maximum annual entitlement to be delivered from or through the reach to the total of the maximum annual entitlements of all contractors to be delivered from or through the reach; and (ii) the ratio of the capacity provided in the reach for the transport and delivery of project water to the contractor to the total capacity provided in the reach for the transport and delivery of project water to all contractors served from or through the reach. Allocations of capital costs to the Agency pursuant hereto shall be on the basis of relevant values which will be set forth in Table B of this contract by the State as soon as designs and cost estimates are prepared by it subsequent to receipt of requests from the Agency as to the maximum monthly delivery capability to be provided in each aqueduct reach of the project transportation facilities for the transport and delivery of project water to the Agency, pursuant to Article 17(a): *Provided*, That these values shall be subject to redetermination by the State in accordance with Article 28: *Provided further*, That the principles and procedures set forth in this subdivision shall be controlling as to allocations of capital costs to the Agency.

(1) The total amount of capital costs allocated to a contractor shall be the sum of the products obtained when there is multiplied, for each aqueduct reach necessary to deliver water to the contractor, the total amount of the capital costs of the reach to be returned to the State under the Transportation Charge by the average of the two foregoing ratios for such reach as said average is set forth in the appropriate table included in its contract.

(2) In the event that excess capacity is provided in any aqueduct reach for the purpose of making project water available in the future to an agency or agencies with which the State has not executed contracts at the time of any allocation of costs pursuant to this subdivision, the prospective maximum annual entitlement or entitlements to be supplied by such excess capacity, as determined by the State, shall be deemed to be contracted for by said agency or agencies for the purpose of such allocation of costs, to the end that the capital costs of providing such excess capacity are not charged to any contractor entitled by virtue of an executed contract to the delivery of project water from or through that aqueduct reach at the time of such allocation. Where additional capacity is provided in any aqueduct reach to compensate for loss of water due to evaporation, leakage, seepage, or other causes, or to compensate for scheduled outages for purposes of necessary investigation, inspection, maintenance, repair or replacement of the facilities of the project facilities, then, for the purpose of any allocation of costs pursuant to this subdivision: (i) the maximum annual entitlement to be delivered from or through the reach of each contractor entitled to delivery of project water from or through the reach shall be increased by an amount which bears the same proportion to the maximum annual delivery capability provided by such additional capacity that the contractor's maximum annual entitlement to be delivered from or through the reach bears to the total of the maximum annual entitlements to be delivered from or through the reach under all contracts; and (ii) the capacity provided in the reach for each contractor entitled to delivery of project water from or through the reach shall be increased in the same proportion that the contractor's maximum annual entitlement to be delivered from or through the reach is increased pursuant to (i) above.

(3) The projected amounts of capital costs to be allocated annually to the Agency under the capital cost component of the Transportation Charge shall be determined by the State in accordance with the cost allocation principles and procedures set forth in this subdivision, which principles and procedures shall be controlling as to allocations of capital costs to the Agency. Such amounts will be set forth in Table C of this contract by the State as soon as designs and cost estimates are prepared by it subsequent to receipt of requests from the Agency as to the maximum monthly delivery capability to be

provided in each aqueduct reach for transport and delivery of project water to the Agency, pursuant to Article 17(a): *Provided*, That these amounts shall be subject to redetermination by the State in accordance with Article 28.

(c) Annual Payments of Allocated Capital Costs

In the second step, the Agency's annual payment of its allocated capital costs and interest thereon, computed at the project interest rate and compounded annually, shall be determined in accordance with a payment schedule established by the State and determined in accordance with the principles set forth in (1), (2), and (3) below, which principles shall be controlling as to the Agency's payment of its allocated capital costs. The Agency's payment schedule will be set forth in Table D of this contract by the State as soon as designs and cost estimates are prepared by it subsequent to receipt of requests from the Agency as to the maximum monthly delivery capability to be provided in each aqueduct reach for transport and delivery of project water to the Agency, pursuant to Article 17(a): *Provided*, That the amounts set forth in Table D shall be subject to redetermination by the State, pursuant to Article 28.

(1) The Agency's annual payment shall be the sum of the amounts due from the Agency on the Agency's allocated capital costs for the then current year and for each previous year where each such amount will pay, in not more than fifty (50) equal annual installments of principal and interest, the Agency's allocated capital costs for the respective year and interest thereon, computed at the project interest rate and compounded annually.

(2) The Agency may make payments at a more rapid rate if approved by the State.

(3) Such annual payments shall cease when all allocated capital costs and interest thereon, computed at the project interest rate and compounded annually, are repaid.

(d) Payment in Advance for Excess Peaking Capacity

In the event that any contractor, pursuant to Article 12(b), requests delivery capacity in any aqueduct reach which will permit maximum monthly deliveries to such contractor in excess of the percentage amounts specified in said Article 12(b) for the uses designated therein, such contractor shall furnish to the State, in advance of the construction of such aqueduct reach, funds sufficient to cover the costs of providing such excess capacity, which funds shall be in an amount which bears the same proportion to the total capital costs of such reach, including the costs of providing such excess capacity, as such excess capacity bears to the total capacity of such reach, including such excess capacity. For the purpose of any allocation of costs pursuant to subdivision (b) of this article, the total capital costs of such aqueduct reach shall be allocated among all contractors entitled to delivery of project water from or through the reach in the following manner:

(1) The costs which would have been incurred for such reach had no such excess capacity been provided shall be estimated by the State and allocated among all such contractors in the manner provided in said subdivision (b); and

(2) The amount of the difference between said estimated costs and the projected actual costs of such reach shall be allocated to the contractor or contractors for which such excess capacity is provided.

Where such excess capacity is provided for more than one contractor, the costs allocated to them under (2) above shall be further allocated between or among them in amounts which bear the same proportion to the total of said allocated costs as the amount of such excess capacity provided for the respective contractor bears to the total of such excess capacity provided in such reach. In the event that the funds advanced by a contractor pursuant to this subdivision are more or less than the costs so allocated to such contractor under (2) above, the account of such contractor shall be credited or debited accordingly.

(e) Costs Incurred Prior to Date of Contract

The Agency's allocated capital costs for the year preceding the year of initial payment of the capital component of the Transportation Charge, pursuant to subdivision (c) of this article, shall consist of the sum of the Agency's allocated capital costs for each year through such year preceding the year of initial payment, and interest thereon, computed at the project interest rate and compounded annually.

25. TRANSPORTATION CHARGE—MINIMUM OPERATION, MAINTENANCE, POWER, AND REPLACEMENT COMPONENT

(a) Method of Computation

The minimum operation, maintenance, power, and replacement component of the Transportation Charge shall return to the State those costs of the project transportation facilities necessary to deliver water to the contractor which constitute operation, maintenance, power, and replacement costs incurred irrespective of the amount of project water delivered to the contractor and which are allocated to the contractor pursuant to (b) below: *Provided*, That to the extent permitted by law, the State may establish reserve funds to meet anticipated minimum replacement costs; and deposits in such reserve funds by the State: (1) shall be made in such amounts that such reserve funds will be adequate to meet such anticipated costs as they are incurred, and (2) shall be deemed to be a part of the minimum replacement costs for the year in which such deposits are made.

(b) Allocation of Costs

The total projected minimum operation, maintenance, power, and replacement costs of each aqueduct reach of the project transportation facilities for the respective year shall be allocated among all contractors entitled to delivery of project water from said facilities by the proportionate use of facilities method of cost allocation, in the same manner and upon the same bases as are set forth for the allocation of capital costs in Article 24: *Provided*, That such minimum operation, maintenance, power, and replacement costs as are incurred generally for the project transportation facilities first shall be allocated to each aqueduct reach in an amount which bears the same proportion to the total amount of such general costs that the amount of the costs incurred directly for the reach bears to the total of all direct costs for all aqueduct reaches.

(c) Payment Table

The amount to be paid each year by the Agency under the minimum operation, maintenance, power, and replacement component of the Transportation Charge shall be determined in accordance with subdivision (b) of this article on the basis of the relevant values to be set forth for the respective aqueduct reaches in Table B of this contract: *Provided*, That these values shall be subject to redetermination by the State in accordance with Article 28. Such amounts and any interest thereon shall be set forth by the State in Table E of this contract as soon as designs and cost estimates have been prepared by it subsequent to receipt of requests from the Agency as to the maximum monthly delivery capability to be provided in each aqueduct reach for transport and delivery of project water to the Agency, pursuant to Article 17(a): *Provided*, That the amounts set forth in Table E shall be subject to redetermination by the State in accordance with Article 28.

26. TRANSPORTATION CHARGE—VARIABLE OPERATION, MAINTENANCE, POWER, AND REPLACEMENT COMPONENT

(a) Method of Computation

The variable operation, maintenance, power, and replacement component of the Transportation Charge shall return to the State those costs of the project transportation facilities necessary to deliver water to the contractor which constitute operation, maintenance, power, and replacement costs incurred in an amount which is dependent upon and varies with the amount of project water delivered to the contractor and which are allocated to the contractor pursuant to (1) and (2) below: *Provided*, That to the extent permitted by law, the State may establish reserve funds to meet anticipated variable replacement costs; and deposits in such reserve funds by the State: (1) shall be made in such amounts that such reserve funds will be adequate to meet such anticipated costs as they are incurred, and (2) shall be deemed to be a part of the variable replacement costs for the year in which such deposits are made. The amount of this component shall be determined as follows:

(1) There shall be computed for each aqueduct reach of the project transportation facilities a charge per acre-foot of water which will return to the State the total projected variable operation, maintenance, power, and replacement costs of the reach for the respective year. This computation shall be made by dividing said total by the number of acre-feet of project water estimated to be delivered from or through the reach to all contractors during the year.

(2) The amount of the variable component shall be the sum of the products obtained when the charges per acre-foot of water, determined under (1) above, for each aqueduct reach necessary to deliver water to the contractor are multiplied by the number of acre-feet of project water delivered to the contractor from or through that reach during the year: *Provided*, That when project water has been requested by a contractor and delivery thereof has been commenced by the State, and, through no fault of the State, such water is wasted as a result of failure or refusal by the contractor to accept delivery thereof, the amount of said variable component to be paid by such contractor during such period shall be the product of the above sum and the sum of the number of acre-feet of project water delivered to the contractor and the number of acre-feet wasted.

(b) Revenue From Aqueduct Power Recovery Plants

There shall be credited against the amount of the variable component to be paid by each contractor, as determined pursuant to subdivision (a) of this article, a portion of the projected net value of any power recovered during the respective year at project aqueduct power recovery plants located upstream on the particular aqueduct from the delivery structures for delivery of project water to the contractor. Such portion shall be in an amount which bears the same proportion to said projected net value that the number of acre-feet of project water delivered to the contractor through said plants during the year bears to the number of acre-feet of project water delivered to all contractors through said plants during the year.

(c) Payment Table

The amount to be paid each year by the Agency under the variable operation, maintenance, power, and

replacement component of the Transportation Charge shall be determined in accordance with subdivision (a) of this article for the respective aqueduct reaches in Table B of this contract. Such amounts and any interest thereon shall be set forth by the State in Table F of this contract as soon as designs and cost estimates are prepared by it subsequent to receipt of requests from the Agency as to the maximum monthly delivery capability to be provided in each aqueduct reach for transport and delivery of project water to the Agency, pursuant to Article 17(a): *Provided*, That the amounts set forth in Table F shall be subject to redetermination by the State in accordance with Article 28.

27. TRANSPORTATION CHARGE—PAYMENT SCHEDULE

The amounts to be paid by the Agency for each year of the project repayment period under the capital cost and minimum operation, maintenance, power, and replacement components of the Transportation Charge, and under the variable operation, maintenance, power, and replacement component of said charge on the basis of then estimated deliveries, shall be set forth by the State in Table G of this contract as soon as designs and cost estimates have been prepared by it subsequent to receipt of requests from the Agency as to the maximum monthly delivery capability to be provided in each aqueduct reach for transport and delivery of project water to the Agency, pursuant to Article 17(a). Table G of this contract shall constitute a summation of Tables D, E, and F of this contract: *Provided*, That each of the amounts set forth in Table G shall be subject to redetermination by the State in accordance with Article 28: *Provided further*, That the principles and procedures set forth in Articles 24, 25, and 26 shall be controlling as to such amounts. Such amounts shall be paid by the Agency in accordance with the provisions of Article 29.

28. TRANSPORTATION CHARGE—REDETERMINATION

The State shall redetermine the values and amounts set forth in Tables B, C, D, E, F and G of this contract in the year following the year in which the State commences construction of the project transportation facilities and each year thereafter in order that the Transportation Charge to the Agency and the components thereof may accurately reflect increases or decreases from year to year in projected costs, outstanding reimbursable indebtedness of the State incurred to construct the project transportation facilities described in Table I of this contract annual entitlements, estimated deliveries, project interest rate, and all other factors which are determinative of such charges. In addition, each such redetermination shall include an adjustment of the components of the Transportation Charge to be paid by the Agency for succeeding years which shall account for the differences, if any, between projections of costs used by the State in determining the amounts of said components for all preceding years and actual costs incurred by the State during such years. Upon each such redetermination, appropriately revised copies of Tables B, C, D, E, F and G shall be prepared by the State and attached to this contract as amendments of those tables.

29. TIME AND METHOD OF PAYMENT

(a) Initial Payment—Delta Water Charge

Payments by the Agency under the Delta Water Charge shall commence in the year of initial water delivery to the Agency.

(b) Initial Payment—Transportation Charge: Capital Component

Payments by the Agency under the capital cost component of the Transportation Charge shall commence in the year following the year in which the State commences construction of the project transportation facilities. If such construction has already commenced when this contract is executed, such payments shall begin in the year following the year of execution.

(c) Initial Payment—Transportation Charge: Minimum Component

Payments by the Agency under the minimum operation, maintenance, power, and replacement component of the Transportation Charge shall commence for each aqueduct reach in the year following the year in which construction of that reach is completed.

(d) Initial Payment—Transportation Charge: Variable Component

Payments by the Agency under the variable operation, maintenance, power, and replacement component of the Transportation Charge shall commence in the year of initial water delivery to the Agency.

(e) Statement of Charges

The State shall, on or before July 1 of each year, commencing with the year preceding the year in which payment of the respective charge is to commence pursuant to this article, furnish the Agency with a written statement of: (1) the charges to the Agency for the next succeeding year under the capital cost and minimum operation, maintenance, power, and replacement components of the Delta Water Charge and Transportation Charge; (2) the unit charges to the Agency for the next succeeding year under the variable operation, maintenance, power, and replacement components of said Delta Water Charge and Transportation Charge; and (3) the total charges to the Agency for the preceding year under the variable operation, maintenance, power, and replacement components of said Delta Water Charge and Transportation Charge: *Provided*, That through December 31,

1969, the Delta Water Charge shall be based upon a unit rate of $3.50 per acre-foot and shall be paid by the contractors on the basis of their respective annual entitlements to project water, as provided in Article 22(b): *Provided further*, That the first such statement shall be provided by the State as soon after the execution of this contract as is feasible. All such statements shall be accompanied by the latest revised copies of the document amendatory to Article 22 and of Tables B, C, D, E, F and G of this contract, together with such other data and computations used by the State in determining the amounts of the above charges as the State deems appropriate. The State shall, on or before the fifteenth day of each month of each year, commencing with the year of initial water delivery to the Agency, furnish the Agency with a statement of the charges to the Agency for the preceding month under the variable operation, maintenance, power, and replacement components of the Delta Water Charge and Transportation Charge. Such charges shall be determined by the State in accordance with the relevant provisions of Articles 22 and 26 of this contract, upon the basis of metered deliveries of project water to the Agency, except as otherwise provided in those articles.

(f) Times of Payment—Capital Components

The Agency shall pay to the State, on or before January 1 of each year, commencing with the year in which payment of the respective charge is to commence pursuant to this article, one-half (½) of the charge to the Agency for the year under the capital cost component of the Delta Water Charge and one-half (½) of the charge to the Agency for the year under the capital cost component of the Transportation Charge, as such charges are stated pursuant to subdivision (e) of this article; and shall pay the remaining one-half (½) of each of said charges on or before July 1 of that year.

(g) Times of Payment—Minimum Components

The Agency shall pay to the State, on or before the first day of each month of each year, commencing with the year of initial water delivery to the Agency, one-twelfth (1/12) of the sum of the charges to the Agency for the year under the minimum operation, maintenance, power, and replacement components of the Delta Water Charge and Transportation Charge, respectively, as such charges are stated pursuant to subdivision (e) of this article.

(h) Times of Payment—Variable Components

The Agency shall pay to the State on or before the fifteenth day of each month of each year, commencing with the year of initial water delivery to the Agency, the charges to the Agency under the variable operation, maintenance, power, and replacement components of the Delta Water Charge and Transportation Charge, respectively, for which a statement was received by the Agency during the preceding month pursuant to subdivision (e) of this article, as such charges are stated in such statement.

(i) Contest of Accuracy of Charges

In the event that the Agency contests the accuracy of any statement submitted to it pursuant to subdivision (e) of this article, it shall give the State notice thereof at least ten (10) days prior to the day upon which payment of the stated amounts is due. To the extent that the State finds the Agency's contentions regarding the statement to be correct, it shall revise the statement accordingly, and the Agency shall make payment of the revised amounts on or before the due date. To the extent that the State does not find the Agency's contentions to be correct, or where time is not available for a review of such contentions prior to the due date, the Agency shall make payment of the stated amounts on or before the due date, but may make the contested part of such payment under protest and seek to recover the amount thereof from the State.

30. SURCHARGE FOR PROJECT WATER USED ON EXCESS LAND

(a) Definitions: "Surcharge"; "Excess Land"

As used herein the term "surcharge" shall mean an amount equivalent to the power credit per acre-foot of water, as such credit is determined under and established by subdivision (b) of this article, to be charged to water users other than the United States or the State of California, as hereinafter provided and to the extent permitted by law, for each acre-foot of project water put to agricultural or manufacturing use on excess land. As used herein the term "excess land" shall mean that part of any land held in single beneficial ownership within a contractor's boundaries, or, where project water is delivered to water users by a retail agency as hereinafter defined, that part of any such land within the service area of such retail agency, which is in excess of 160 acres; or in the case of joint ownership by husband and wife that part of any such land which is in excess of 320 acres.

(b) Definition: "Power Credit"

As used herein, the term "power credit" shall mean the net value accruing to the State from revenues derived from the sale or other disposal of electrical energy generated in connection with operation of initial project conservation facilities after deducting from said revenues the amount necessary to repay the investment properly chargeable to energy generation and for operation, maintenance, and replacement of the electrical generation facilities. The power credit

per acre-foot of water shall be computed in accordance with the following formula:

$$\frac{c_1(1+i)^{-1} + c_2(1+i)^{-2} + \ldots + c_n(1+i)^{-n}}{e_1(1+i)^{-1} + e_2(1+i)^{-2} + \ldots + e_n(1+i)^{-n}}$$

Where:

i = The project interest rate.

c = The projected annual power credit accrued during the respective year of the project repayment period.

1, 2, and n appearing below c = The respective year of the project repayment period during which the power credit is accrued, n being the last year of the project repayment period.

e = The total of annual entitlements to project water of all contractors for the respective year of the project repayment period.

1, 2, and n appearing below e = The respective year of the project repayment period in which the annual entitlements occur, n being the last year of the project repayment period.

n used as exponent = The number of years in the project repayment period.

The power credit per acre-foot of water is hereby established as $2 until all of the facilities for generation of electrical energy in connection with operation of initial project conservation facilities are installed and in operation. The State shall redetermine the power credit per acre-foot of water each year thereafter in order that it may accurately reflect increases or decreases from year to year in the power credit as defined herein. Each such redetermination shall be in accordance with the method of computation set forth in this subdivision, and upon each such redetermination, a document showing the revised amount of the power credit per acre-foot of water shall be attached to this contract as an amendment of this subdivision.

(c) Definition: "Retail Agency"

As used herein the term "retail agency" shall mean any agency which delivers directly to the users thereof, project water made available by, through, or under a contractor.

(d) Payment of Surcharge

Each contractor, to the extent that it delivers project water directly to the users thereof, shall require on behalf of the State that each such user on or before June 1 of each year, commencing with the year following the year of initial water delivery: (1) certify in writing to the contractor on forms prescribed and furnished by the State the description of the excess land owned by such user upon which project water is put to agricultural or manufacturing use, and the amount of project water put to agricultural or manufacturing use on such land during the preceding year; and (2) pay to the contractor for the account of the State a surcharge for the amount of water so certified. Each contractor, to the extent that it delivers project water to a retail agency or to another agency by, through, or under which such water is delivered to a retail agency, shall require on behalf of the State that each water user served by such retail agency be required to, on or before May 1 of each year, commencing with the year following the year of initial water delivery: (1) certify in writing to the retail agency on forms prescribed and furnished by the State the description of the excess land owned by such user upon which project water is put to agricultural or manufacturing use and the amount of project water put to agricultural or manufacturing use on such land during the preceding year; and (2) pay to the retail agency for the account of the State a surcharge for the amount of project water so certified. Each contractor and retail agency shall be entitled to rely upon the certifications furnished them by water users pursuant to this subdivision, unless notified by the State as to the inaccuracy of any such certification. Payments made to the contractor pursuant to this subdivision, together with the certifications supporting such payments, shall be forwarded to the State on or before July 1 of the year in which they are received. Payments made to a retail agency pursuant to this subdivision, together with the certifications supporting such payments, shall on behalf of the State be required to be forwarded to the contractor, which shall in turn forward them to the State on or before July 1 of the year in which they are received; except that where project water has been delivered to the retail agency by, through, or under an agency or agencies other than the contractor, such payments and certifications shall on behalf of the State be required to be forwarded by the retail agency to the agency from which it received project water and by that agency, et seq., to the contractor, which shall forward them to the State on or before July 1 of the year in which they are received.

(e) Commingling of Project and Nonproject Water

In the event that a contractor, retail agency, or water user commingles project water with water from another source in a common distribution system, the contractor shall, in complying with the provisions of this article, adhere to the following rules, and, where project water is delivered by it to a retail agency or to another agency by, through or under which project water is delivered to a retail agency, as contemplated in subdivision (d) of this article, shall require on behalf of the State that such retail agency adhere or be required to adhere to the same rules.

(1) If the amount of nonproject water applied in any year within the area served with project

water by the contractor or retail agency is equal to or greater than the amount of water put to agricultural or manufacturing use on all excess land within that area during such year, it shall be presumed that the water put to agricultural or manufacturing use on such excess land is nonproject water, and there shall be no surcharge to water users in that area.

(2) If the amount of nonproject water applied in any year within the area served with project water by the contractor or retail agency is less than the amount of water put to agricultural or manufacturing use on all excess land within that area during such year, it shall be presumed, for the purpose of determining the payments to be made under the surcharge by water users in that area, that the amount of project water put to agricultural or manufacturing use on excess land of a particular ownership within that area during such year bears the same proportion to the total amount of water so used on that excess land during such year as the total amount of project water applied within that area during such year bears to the total amount of water applied within that area during such year.

(3) Project water which reaches the underground prior to delivery to or pumping by a water user shall not be subject to a surcharge under this article.

(f) Failure of Retail Agency to Perform Obligations

Subject to subdivision (g) of this article, a contractor shall not be liable for the failure of any retail agency or other agency to perform the obligations imposed upon it in accordance with subdivision (d) of this article.

(g) State May Enforce Surcharge

In the event that any retail agency or other agency by, through or under which project water is delivered to a retail agency, fails to perform the obligations imposed upon it in accordance with subdivision (d) of this article, the State may take such action in a court of competent jurisdiction, in the name of the contractor and/or agency or agencies by, through or under which project water is delivered to such retail agency, as it deems necessary to compel the performance of such obligations, and in such action the State shall be subrogated to the rights of such contractor and/or such other agency or agencies against such retail agency or other agency. In the event that any certification furnished by a water user in accordance with subdivision (d) of this article is found by the State to inaccurately represent facts of water use or land ownership, with the result that such user is avoiding payment under the surcharge provided for herein, the State may take such action in a court of competent jurisdiction, in the name of the contractor and/or the retail agency and/or any other agency or agencies by, through, or under which project water is delivered to such water user, as it deems necessary to collect full payment under the surcharge from such water user and to compel the performance of all obligations imposed upon such water user in accordance with said subdivision (d), and in such action the State shall be subrogated to the rights of such contractor and/or such retail agency and/or such other agency or agencies against such water user. Where project water is delivered by a contractor to a retail agency or to another agency by, through, or under which project water is delivered to a retail agency, as contemplated in subdivision (d) of this article, the contractor shall require on behalf of the State that such retail agency or other agency and all agencies by, through, or under which project water is delivered to a retail agency permit or be required to permit the State to bring the foregoing actions in their respective names and be subrogated to their respective rights as set forth above.

(h) State to Defend and Indemnify Against Claims

Should the application of any of the provisions of this article in the manner provided for herein result in claims of any nature against a contractor, retail agency, or other agency by, through, or under which project water is delivered to a retail agency, the State shall defend the contractor, retail agency, or other agency against such claims, and shall indemnify them for any liability with respect thereto arising from activities required by the State under this article.

(i) Separability

This article shall be separable from all other provisions in this contract, and in the event that any or all of the provisions of this article are in any manner or to any extent held to be invalid by final judgment or decree of a court of competent jurisdiction, such holding and such invalidity shall in no way affect the validity of, or make invalid, any other provision of this contract.

31. ADJUSTMENT FOR OVERPAYMENT OR UNDERPAYMENT

If in any year, by reason of errors in computation or other causes, there is an overpayment or underpayment to the State by the Agency of the charges provided for herein, which overpayment or underpayment is not accounted for and corrected in the annual redetermination of said charges, the amount of such overpayment or underpayment shall be credited or debited, as the case may be, to the Agency's account for the next succeeding year and the State shall notify the Agency thereof in writing.

32. DELINQUENCY IN PAYMENT

(a) Agency to Provide for Punctual Payment

The governing body of the Agency shall provide for the punctual payment to the State of payments which become due under this contract.

(b) Interest on Overdue Payments

Upon every amount of money required to be paid by the Agency to the State pursuant to this contract which remains unpaid after it becomes due and payable, interest shall accrue at the rate of one-half (½) of one (1) percent per month of the amount of such delinquent payment from and after the due date until it is paid, and the Agency hereby agrees to pay such interest: *Provided,* that no interest shall be charged to or be paid by the Agency unless such delinquency continues for more than thirty (30) days.

33. OBLIGATION OF AGENCY TO MAKE PAYMENTS

(a) Refusal of Water Does Not Affect Obligation

The Agency's failure or refusal to accept delivery of project water to which it is entitled under Article 6(b) shall in no way relieve the Agency of its obligation to make payments to the State as provided for in this contract. The State, however, shall make reasonable efforts to dispose of any water made available to but not required by the Agency and any net revenues from such disposal shall be credited pursuant to Article 21.

(b) Character of Obligation

The Agency as a whole is obligated to pay to the State the payments becoming due under this contract, notwithstanding any individual default by its constituents or others in the payment to the Agency of assessments, tolls, or other charges levied by the Agency.

34. OBLIGATION OF AGENCY TO LEVY TAXES AND ASSESSMENTS

(a) When Obligated

If in any year the Agency fails or is unable to raise sufficient funds by other means, the governing body of the Agency shall levy upon all property in the Agency not exempt from taxation, a tax or assessment sufficient to provide for all payments under this contract then due or to become due within that year.

(b) Enforcement by Officers of Agency

Taxes or assessments levied by the governing body of the Agency pursuant to subdivision (a) of this article shall be enforced and collected by all officers of the Agency charged with the duty of enforcing and collecting taxes or assessments levied by the Agency.

(c) Deposit in Separate Fund

All money collected for taxes or assessments under this article shall be kept in a separate fund by the treasurer or other officer of the Agency charged with the safekeeping and disbursement of funds of the Agency, and, upon the written demand of the State, the treasurer or other officer shall pay over to the State all such money in his possession or control then due the State under this contract, which money shall be applied by the State to the satisfaction of the amount due under this contract.

(d) Enforcement of Levy

In the event of failure, neglect, or refusal of any officer of the Agency to levy any tax or assessment necessary to provide payment by the Agency under this contract, to enforce or to collect the tax or assessment, or to pay over to the State any money then due the State collected on the tax or assessment, the State may take such action in a court of competent jurisdiction as it deems necessary to compel the performance in their proper sequence of all such duties. Action taken pursuant hereto shall not deprive the State of or limit any remedy provided by this contract or by law for the recovery of money due or which may become due under this contract.

D. GENERAL PROVISIONS

35. REMEDIES NOT EXCLUSIVE

The use by either party of any remedy specified herein for the enforcement of this contract is not exclusive and shall not deprive the party using such remedy of, or limit the application of, any other remedy provided by law.

36. AMENDMENTS

This contract may be amended at any time by mutual agreement of the parties, except insofar as any proposed amendments are in any way contrary to applicable law. The State shall promptly furnish the Agency with copies of all contracts now or hereafter executed by the State for a dependable supply of project water, and of any amendments thereof.

37. AGENCY NOT ESTOPPED TO CHALLENGE STATE LAWS

Nothing herein contained shall be construed as estopping or otherwise preventing the Agency or any person, firm, association, corporation, or public body or agency claiming by, through, or under the Agency from contesting by litigation or other lawful means the validity, constitutionality, construction or application of any law of this State, including laws referred to in the Bond Act, or as preventing or prejudicing the amendment or repeal of any such law, and each contract executed by the State for a dependable supply of

project water shall contain a similar reservation with respect to State laws.

38. OPINIONS AND DETERMINATIONS

Where the terms of this contract provide for action to be based upon the opinion, judgment, approval, review, or determination of either party hereto, such terms are not intended to be and shall never be construed as permitting such opinion, judgment, approval, review, or determination to be arbitrary, capricious, or unreasonable.

39. CONTRACTING OFFICER OF THE STATE

The contracting officer of the State shall be the Director of Water Resources of the State of California and his successors, or their duly authorized representatives. The contracting officer shall be responsible for all discretionary acts, opinions, judgments, approvals, reviews, and determinations required of the State under the terms of this contract.

40. SUCCESSORS AND ASSIGNS OBLIGATED

This contract and all of its provisions shall apply to and bind the successors and assigns of the parties hereto.

41. ASSIGNMENT

No assignment or transfer of this contract or any part hereof, rights hereunder. or interest herein by the Agency shall be valid unless and until it is approved by the State and made subject to such reasonable terms and conditions as the State may impose.

42. WAIVER OF RIGHTS

Any waiver at any time by either party hereto of its rights with respect to a default or any other matter arising in connection with this contract, shall not be deemed to be a waiver with respect to any other default or matter.

43. NOTICES

All notices that are required either expressly or by implication to be given by one party to the other under this contract shall be signed for the State by its contracting officer, and for the Agency by such officer as it may, from time to time, authorize in writing to so act. All such notices shall be deemed to have been given if delivered personally or if enclosed in a properly addressed envelope and deposited in a United States Post Office for delivery by registered or certified mail. Unless and until formally notified otherwise, all notices shall be addressed to the parties at their addresses as shown on the signature page of this contract.

44. MAINTENANCE AND INSPECTION OF BOOKS, RECORDS, AND REPORTS

During regular office hours, each of the parties hereto and their duly authorized representatives shall have the right to inspect and make copies of any books, records, or reports of the other party pertaining to this contract or matters related hereto. Each of the parties hereto shall maintain and make available for such inspection accurate records of all of its costs, disbursements and receipts with respect to its activities under this contract and the Bond Act.

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ALLOCATED PROPORTION OF COSTS OF PROJECT TRANSPORTATION FACILITIES

(Name of Agency)

Aqueduct Reach	Total for project transportation facilities				Agency participation				
	Total of maximum annual entitlements of all contractors thousands of[4] acre-feet per year[1]	Total of maximum capacities in cubic-feet[1] per second[4]	Total capital cost, thousands of dollars	Minimum annual operating cost, thousands of dollars[2]	Maximum annual entitlement, thousands of acre-feet per year[1]	Ratio of maximum annual entitlement, to total of maximum annual entitlements	Maximum capacity in cubic-feet per second[1]	Ratio of maximum capacity to total capacity	Average of ratios
CALIFORNIA AQUEDUCT									

1 As increased by an allowance to compensate for losses as provided in Article 24(b) (2).
2 Based on values as of the end of the construction period.
3 Costs allocated to water transportation.
4 State's capacity only.

TABLE C

PROJECTED ALLOCATIONS OF CAPITAL
COST OF PROJECT TRANSPORTATION FACILITIES TO
(Name of Agency)
(In thousands of dollars)

Year
1*
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
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28
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30
31

* Year in which State commenced construction of project transportation facilities, 1959.

TABLE D

TRANSPORTATION CHARGE – CAPITAL COST COMPONENT *

(Name of Agency)

(In thousands of dollars)

Year	Annual Payment of Principal	Annual Interest Payment	Total Annual Payment by Agency
1**			
2			
3			
4			
5			
6			
7			
8			
9			
10***			
11			
12			
13			
14			
15			
16			
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43			
44			
45			

TABLE D (Continued)

TRANSPORTATION CHARGE – CAPITAL COST COMPONENT
(Name of Agency)
(In thousands of dollars)

Year	Annual Payment of Principal	Annual Interest Payment	Total Annual Payment by Agency
46			
47			
48			
49			
50			
51			
52			
53			
54			
55			
56			
57			
58			
59			
60			
61			
62			
63			
64			
65			
66			
67			
68			
69			
70			
71			
72			
73			
74			
75			
76			
77			
78			
79			
80			
TOTAL			

*Unit rate: $ _____

**Year in which the State commenced construction of the project transportation facilities, 1959.

***Year of first payment.

TABLE E

TRANSPORTATION CHARGE – MINIMUM OPERATION MAINTENANCE, POWER, AND REPLACEMENT COMPONENT

(Name of Agency)

Year	Total Annual Payment by Agency* (In thousands of dollars)
1**	
2	
3	
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5	
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31	
and each succeeding year thereafter, for the term of this contract.	

* Payment shall start with respect to each aqueduct reach in the year following the year in which the State completes construction of the respective reach.

** Year in which the State commenced construction of the project transportation facilities, 1959.

TABLE F

TRANSPORTATION CHARGE - ESTIMATED VARIABLE OPERATION, MAINTENANCE, POWER, AND REPLACEMENT COMPONENT

(Name of Agency)

Year	Total Annual Payment by Agency* (In thousands of dollars)
1**	
2	
3	
4	
5	
6	
7	
8	
9	
10	
11	
12	
13	
14	
15	
16	
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and each succeeding year thereafter, for the term of this contract.	

*Payments start with year of initial water delivery.

**Year in which State commenced construction of project transportation facilities, 1959.

TABLE G

PAYMENT SCHEDULE
(Name of Agency)
(In thousands of dollars)

Year	Transportation Charge			
	Capital Cost Component	Minimum Component	Variable Component	Total
1*				
2				
3				
4				
5				
6				
7				
8				
9				
10**				
11				
12				
13				
14				
15				
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45				

TABLE G (Continued)

PAYMENT SCHEDULE

(Name of Agency)

(In thousands of dollars)

Year	Transportation Charge			
	Capital Cost Component	Minimum Component	Variable Component	Total
46				
47				
48				
49				
50				
51				
52				
53				
54				
55				
56				
57				
58				
59				
60				
61				
62				
63				
64				
65				
66				
67				
68				
69				
70				
71				
72				
73				
74				
75				
76				
77				
78				
79				
80				

* Year in which State commenced construction of project transportation facilities, 1959

** Year of first payment, capital cost component

ANTELOPE VALLEY-EAST KERN WATER AGENCY

Location and Size

The Agency is comprised of desert lands in the northeast portion of Los Angeles County and the southeast portion of Kern County. The Agency, as of July 1, 1964, had an area of about 1,503,300 acres and a population of about 86,800.

Water Supply and Utilization

The entire supply of water presently being used within the Agency is pumped from underlying ground water basins. The ground water supply is being seriously overdrawn and as a result the water table has, during the past 20 years, dropped as much as 120 feet. At the present time about 90 percent of the water used in the Agency is for irrigation but by 1990 it is estimated that municipal and industrial uses will exceed agricultural use.

Items of Contract Information Unique to Agency

Date of Contract - Preamble

September 20, 1962

Agency's Principal Place of Business - Preamble

Lancaster

Estimated Year of Initial Water Delivery - Article 6(a)

1972

Date of Request as to Delivery Structures - Article 10(b)

June 30, 1963

Limit on Instantaneous Rate of Delivery - Article 12(c)

220 cfs (Increased by Amendment No. 1 to 253 cfs.)

NOTES AND COMMENTS

E. SPECIAL PROVISIONS AND TABLES

45. SPECIAL PROVISIONS

(a) On or before June 30, 1963, the Agency shall furnish to the State its written request specifying whether the agency shall receive water in the year of initial water delivery from the East Branch Aqueduct or from the West Branch Aqueduct as defined in Table H of this contract, and specifying the year in which the first delivery of project water from the other Branch Aqueduct shall be made to the Agency. The timing of first deliveries of project water from each of said Branch Aqueducts shall be as so requested by the Agency, *Provided*, That in the event said request is, in the judgment of the State, incompatible with similar requests received from other contractors to be served from or through said Branch Aqueducts, which contractors have executed contracts with the State on or before June 30, 1963, the timing of first deliveries of project water to the Agency and such other contractors from said Branch Aqueducts shall be as established by mutual agreement among the State, the Agency, and said contractors, *Provided further*, That if such agreement has not been reached on or before December 31, 1963, the State may then construct said Branch Aqueducts in accordance with such construction schedules as, in the judgment of the State, will best serve the interests of all those contractors whose service areas are located south of the South Portal of the Tehachapi Tunnels and which have executed contracts with the State on or before June 30, 1963, *Provided further*, That the Agency is not precluded from requesting, pursuant to Article 10 of this contract, water through delivery structures located in aqueduct reaches upstream from the junction of the East and West Branch Aqueducts.

(b) The State shall provide sufficient capacity in the transportation facilities, subject to the provisions of Article 17(b), to deliver 11% of the Agency's annual entitlement in each of four months in each year. Subject to the foregoing limitation, in scheduling deliveries under Article 12(a) the State will provide for up to 1/9th of the Agency's annual entitlement to be delivered in excess of a rate of 8-1/3% per month. In no month shall the Agency be scheduled to receive less than 4% of the Agency's annual entitlement, and the aqueduct reaches downstream from the Agency's delivery structures will be designed and constructed accordingly.

(c) The annexations to the Agency, authorized by Resolution No. 62-64 of the Board of Directors dated August 28, 1962, are deemed to be approved by the department within the meaning of Article 15(b), and are generally described as follows:

1. The Tejon-Kinsey annexation, comprising approximately 200 square miles at the western boundary of the Agency

2. The Agua-Dulce annexation, comprising approximately 40 square miles at the southwestern boundary of the Agency

3. The East Antelope Valley annexation, comprising approximately 100 square miles at the southeastern boundary of the Agency

4. The Hoffman No. 2 annexation, comprising approximately 16 square miles at the northeastern boundary of the Agency.

TABLE A

ANNUAL ENTITLEMENTS
ANTELOPE VALLEY–EAST KERN WATER AGENCY

Year	Total Annual Amount In Acre-Feet
1	20,000
2	25,000
3	30,000
4	35,000
5	40,000
6	45,000
7	50,000
8	55,000
9	60,000
10	65,000
11	70,500
12	76,000
13	81,500
14	87,000
15	92,500
16	98,000
17	103,500
18	109,000
19	114,500
20	120,000
and each succeeding year thereafter, for the term of this contract as a Maximum Annual Entitlement:	120,000 Acre-feet

TABLE H

PROJECT TRANSPORTATION FACILITIES
ANTELOPE VALLEY–EAST KERN WATER AGENCY

A San Joaquin Valley–Southern California Aqueduct extending to a point near Lake Hughes on the West Branch Aqueduct defined below, and extending to Cedar Springs Reservoir on the East Branch Aqueduct defined below, to the extent such aqueduct is determined by the State to be required for water transportation.

(1) ***"East Branch Aqueduct"*** shall mean that portion of the San Joaquin Valley–Southern California Aqueduct specified in Section 12934(d)(2) of the Water Code extending from the Junction of East and West Branches to a terminus in the vicinity of Perris, Riverside County.

(2) ***"West Branch Aqueduct"*** shall mean that portion of the San Joaquin Valley–Southern California Aqueduct specified in Section 12934(d)(2) of the Water Code extending from the Junction of East and West Branches to a terminus in the vicinity of Newhall, Los Angeles County.

TABLE 1

AQUEDUCT REACHES
ANTELOPE VALLEY–EAST KERN WATER AGENCY

Aqueduct Reach	Major Features of Reach
Delta to Discharge Delta Pumping Plant:	Intake Canal Fish Protective Facilities Delta Pumping Plant (Pumping Plant I)
Discharge, Delta Pumping Plant to San Luis Forebay:	Aqueduct
San Luis Forebay to Outlet San Luis Reservoir:	San Luis Forebay and Dam San Luis Pumping–Generating Plant San Luis Reservoir and Dam
Outlet San Luis Reservoir to Avenal Gap:	Aqueduct Mile 18 Pumping Plant
Avenal Gap to Buena Vista Pumping Plant III:	Aqueduct
Buena Vista Pumping Plant to Wheeler Ridge Pumping Plants I and II:	Buena Vista Pumping Plant Aqueduct
Wheeler Ridge Pumping Plants I and II to Tehachapi Pumping Plant:	Wheeler Ridge Pumping Plant I Wheeler Ridge Pumping Plant II
Tehachapi Pumping Plant to South Portal Tehachapi Tunnels:	Tehachapi Pumping Plant (Pumping Plant VI) Tehachapi Tunnels
South Portal Tehachapi Tunnels to Junction, East and West Branches	Aqueduct Cottonwood Power Plant Aqueduct
WEST BRANCH	
Junction, East and West Branches to a turnout near Lake Hughes:	Aqueduct
EAST BRANCH	
Junction, East and West Branches to Little Rock Creek:	Aqueduct
Little Rock Creek to West Fork Mojave River:	Pearblossom Pumping Plant Aqueduct
Cedar Springs Reservoir	Cedar Springs Dam Cedar Springs Reservoir

IN WITNESS WHEREOF, the parties hereto have executed this contract on the date first above written.

Approved as to legal form and sufficiency:

B. A. Goldberg

Chief Deputy Director
Department of Water Resources
P. O. Box 388
Sacramento, California

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

By _____
Director

Attest:

John Carteen
Secretary (DEPUTY)

ANTELOPE VALLEY-EAST KERN WATER AGENCY

By Ray A. Knapp
President

Approved as to form:

Counsel
Antelope Valley-East Kern Water Agency
P. O. Box 905
Lancaster, California

By _____
General Manager and Chief Engineer

Governor

STATE OF CALIFORNIA

DEPARTMENT OF WATER RESOURCES

AMENDMENT NO. 1 TO WATER SUPPLY
CONTRACT BETWEEN THE STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES AND
ANTELOPE VALLEY-EAST KERN WATER AGENCY

THIS CONTRACT, made this 22nd day of September 1964, pursuant to the provisions of the California Water Resources Development Bond Act, the State Central Valley Project Act, and other applicable laws of the State of California, between the State of California, acting by and through its Department of Water Resources, herein referred to as the "State," and Antelope Valley-East Kern Water Agency, a public agency in the State of California, duly organized, existing, and acting pursuant to the laws thereof with its principal place of business in Lancaster, California, herein referred to as the "Agency,"

WITNESSETH, That:

WHEREAS, the State is authorized to construct and operate facilities for the storage and conveyance of water, certain of which facilities will make water available to the Agency; and

WHEREAS, the State and the Agency have entered into a water supply contract, dated September 20, 1962, providing that the State shall supply certain quantities of water to the Agency, and providing that the Agency shall make certain payments to the State, and setting forth the terms and conditions of such supply and such payment; and

WHEREAS, the maximum annual entitlements under all contracts executed by the State on or before December 31, 1963, did not aggregate the amount of the minimum project yield as defined in such water supply contract; and

WHEREAS, the Agency has elected to become entitled to a certain amount of the uncontracted for portion of the minimum project yield under the provisions of Article 8 of the above-mentioned contract and the State has determined that the Agency can put the water involved to beneficial use within a reasonable period of time; and

WHEREAS, the State and the Agency are desirous of making certain other changes and additions to such contract, while otherwise continuing the contract in full force and effect;

NOW THEREFORE, it is mutually agreed that the following changes and additions are hereby made to the Agency's water supply contract with the State:

1. Subdivision (k) of Article 1 is amended to read as follows:

(k) Minimum Project Yield

"Minimum project yield" shall mean the dependable annual supply of project water to be made available, estimated to be 4,230,000 acre-feet per year, said amount to be determined by the State on the basis of coordinated operation studies of initial project conservation facilities and additional project conservation facilities, which studies shall be based upon:

(1) The estimated relative proportion of deliveries

for agricultural use to deliveries for municipal use for the year 1990, and the characteristic distributions of demands for these two uses throughout the year.

(2) An allowable reduction in the agricultural use portion of the minimum project yield, due to drought, of not to exceed fifty percent (50%) in any one year, nor a total of one hundred percent (100%) of one year's supply in any series of seven consecutive years.

(3) Agreements now in effect or as hereafter amended or supplemented between the State and the United States and others regarding the diversion or utilization of waters of the Delta or streams tributary thereto.

2. Table A of the contract entitled "Annual Entitlements Antelope Valley-East Kern Water Agency" is amended to read as follows:

TABLE A

ANNUAL ENTITLEMENTS
ANTELOPE VALLEY-EAST KERN WATER AGENCY

Year	Total Annual Amount in Acre-feet
1	20,000
2	25,000
3	30,000
4	35,000
5	44,000
6	50,000
7	57,000
8	63,000
9	69,200
10	75,000
11	81,300
12	87,700
13	94,000
14	100,400
15	106,700
16	113,000
17	119,400
18	125,700
19	132,100
20	138,400
And each succeeding year thereafter, for the term of this contract:	138,400

3. Subdivision (c) of Article 12 is amended to read as follows:

(c) Limit on Rate of Delivery to Agency

In no event shall the State be obligated to deliver water to the Agency through all delivery structures at a total combined instantaneous rate of flow exceeding two hundred fifty three (253) cubic feet per second, except as this rate of flow may be revised by amendment of this article after submission to the State of the Agency's requests with respect to maximum flow

capacities to be provided in said delivery structures, pursuant to Article 10.

4. Subdivision (a) of Article 16 is amended to read as follows:

(a) Limit on Total of All Maximum Annual Entitlements

The Agency's maximum annual entitlement hereunder, together with the maximum annual entitlements of all other contractors, shall aggregate no more than the minimum project yield as defined herein and in no event more than 4,230,000 acre-feet of project water.

5. Article 46 is added to the contract to read as follows:

46. Amendatory Provisions

(a) Surplus Water

Notwithstanding other provisions of this contract, surplus water for agricultural and ground water replenishment use shall be offered to contractors on the following basis. Before surplus water is sold for other than agricultural and ground water replenishment use, each contractor shall have the right, subject to the ability of the State to deliver such water and to the provisions of the next succeeding paragraph, to contract for agricultural and ground water replenishment use for a portion of the total amount of surplus water available in any year, in an amount which bears the same ratio to the total amount of surplus water available in that year as the sum of the annual entitlements, set forth in Table A of this contract, delivered to the contractor for agricultural and ground water replenishment use during the preceding three years bears to the total amount of such annual

entitlements delivered for agricultural and ground water replenishment use during the preceding three years of all contractors requesting surplus water: Provided, That if its proportion of such surplus water is not required by or cannot be delivered to any contractor, such amount of additional surplus water shall be offered to other contractors for agricultural and ground water replenishment use. During the first three years in which project water is delivered to a contractor, the State shall determine the amount of surplus water which the contractor may obtain based on the contractor's maximum annual entitlement and the estimated percentage of its annual entitlement to be delivered for agricultural and ground water replenishment use; but quantities so determined shall not exceed the contractor's annual entitlement for that year. For the purpose of computing the portion of the surplus water for agricultural and ground water replenishment use to which each contractor is entitled, the State shall determine the amounts of water used for agricultural and ground water replenishment use by each contractor in each year: Provided, That each contractor shall furnish certified copies of such records and data concerning the use of water within its boundaries as the State may request.

The provisions of this paragraph shall be applicable only to contractors in the San Joaquin Valley Service Area, contractors in the Southern California Service Area, and contractors in the Central Coastal Service Area. Before surplus water is sold for other than agricultural and ground water replenishment use, each such contractor shall have the right, subject to the ability of the State to deliver such water, to contract for agricultural

and ground water replenishment use in accordance with the following formula: contractors in the San Joaquin Valley Service Area shall have a right to contract for sixty-nine percent (69%) of the surplus water available at the Mile 18 Pumping Plant; contractors in the Southern California Service Area shall have a right to contract for twenty-nine percent (29%) of such water; and contractors in the Central Coastal Service Area shall have a right to contract for two percent (2%) of such water: Provided, That within each of these service areas, each contractor shall have the right to contract for agricultural and ground water replenishment use for a portion of the total amount of surplus water available to that service area in any year, in an amount which bears the same ratio to the total amount of surplus water available to the service area in that year as the sum of the annual entitlements, set forth in Table A of this contract, delivered to the contractor for agricultural and ground water replenishment use during the preceding three years bears to the total amount of such annual entitlements delivered for agricultural and ground water replenishment use during the preceding three years of all contractors in that service area requesting surplus water: Provided, further, That if its proportion of such surplus water is not required by or cannot be delivered to any contractor, such amount of additional surplus water shall be offered to other contractors for agricultural and ground water replenishment use. During the first three years in which project water is delivered to a contractor, the State shall determine the amount of surplus water which the contractor may obtain based on the contractor's maximum annual entitlement and the estimated percentage of its annual entitlement to be delivered for

agricultural and ground water replenishment use; but quantities so determined shall not exceed the contractor's annual entitlement for that year. As used in this paragraph, "contractors in the San Joaquin Service Area" shall mean: Devil's Den Water District, Dudley Ridge Water District, Empire West Side Irrigation District, Hacienda Water District, Kern County Water Agency, and Tulare Lake Basin Water Storage District; "contractors in the Southern California Service Area" shall mean: Antelope Valley-East Kern Water Agency, City of West Covina, Coachella Valley County Water District, Crestline-Lake Arrowhead Water Agency, Desert Water Agency, Littlerock Creek Irrigation District, Mojave Water Agency, Palmdale Irrigation District, San Bernardino Valley Municipal Water District, San Gabriel Valley Municipal Water District, San Gorgonio Pass Water Agency, The Metropolitan Water District of Southern California, Upper Santa Clara Valley Water Agency, and Ventura County Flood Control District; "contractors in the Central Coastal Service Area" shall mean: San Luis Obispo County Flood Control and Water Conservation District and Santa Barbara County Flood Control and Water Conservation District.

The provision of this paragraph shall be applicable only to a contractor to which the delivery of project water for municipal use as of 1990 is estimated by the State to be in excess of fifty percent (50%) of such contractor's maximum annual entitlement. For the purpose of fixing such contractor's right to delivery of surplus water, water from a watershed not tributary to the contractor's area which is delivered within the contractor's boundaries

for agricultural or ground water replenishment use shall be deemed to be part of the contractor's annual entitlement delivered for such use in computing the quantity of surplus water to which the contractor is entitled under this subdivision: Provided, That the contractor shall not be deemed to have used more than its annual entitlement, as set forth in Table A, for such use. Surplus water shall be deemed to be used by the contractor for agricultural or ground water replenishment use if an equal quantity of water imported from a watershed not tributary to the contractor's area is delivered within the contractor's boundaries for such use.

In providing for the delivery of surplus water to contractors pursuant to this subdivision, the State shall refuse to deliver such surplus water to any contractor to the extent that the State determines that such delivery would tend to encourage the development of an economy within the area served by such contractor which would be dependent upon the sustained delivery of water in excess of the contractor's maximum annual entitlement. In no event shall the quantity of surplus water made available in any year prior to 1986 to any contractor under this subdivision exceed the difference between its annual entitlement for that year and its maximum annual entitlement, except that, subject to provisions of the immediately preceding sentence, with respect to any contractor which under Table A of its contract is scheduled to receive its maximum annual entitlement prior to 1978, the quantity of surplus water made available in any year prior to 1986 under this subdivision may exceed such difference by not more than 3,000 acre-feet.

Surplus water for agricultural and ground water replenishment use shall be furnished at prices which will return to the State the variable operation, maintenance, power, and replacement components of the Delta Water Charge and Transportation Charge incurred in such service of surplus water as determined by the State. Surplus water delivered under this subdivision shall be limited to the quantity of water which can be delivered without adversely affecting the reliability, or increasing the cost, of service to meet annual entitlements. A surcharge shall be added to the rate for surplus water furnished to excess land in an amount and under the conditions specified in Article 30 of this contract. Contracts made pursuant to this subdivision may exceed one year in duration.

Except as herein modified, the provisions of Article 21 of this contract are hereby confirmed, and all surplus water not specifically allocated pursuant to this subdivision shall be sold under the provisions of Article 21. Nothing in this subdivision shall limit the right of the Agency to increase its annual entitlements as otherwise provided in this contract.

As used in this subdivision "ground water replenishment use" shall mean the use of project water exclusively by direct application to spreading basins, streambeds, or through other means of direct artificial recharge for the purpose of replenishing overdrawn ground water basins.

(b) Surcharge Credit

Notwithstanding other provisions of this contract, the State may allow a credit to each contractor not to exceed the surcharge paid by such contractor.

For the purpose of this contract, the surcharge credit shall be determined and applied in the following manner:

(1) The State shall, in each year after the year of initial water delivery, allow a credit to the Agency in the amount of the surcharge forwarded by the Agency to the State in the preceding year.

(2) The Agency shall not establish water rates, or tax or assessment rates, so as to cause the surcharge credit to be passed on to water users in a manner which will bring about a greater reduction in the cost per acre-foot of project water put to use on excess land than such cost of project water put to use on other than excess land.

This subdivision 46 (b) shall be separable from all other provisions in this contract, and in any event that any or all of the provisions of this subdivision are in any manner or to any extent held to be invalid by final judgment or decree of a court of competent jurisdiction, such holding and such invalidity shall in no way affect the validity of, or make invalid, any other provision of this contract.

IN WITNESS WHEREOF, the parties hereto have executed this contract on the date first above written.

Approved as to legal form and sufficiency:

Chief Counsel
Department of Water Resources

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

By

Approved as to form and execution:

Attorney

Secretary-Treasurer

ANTELOPE VALLEY-EAST KERN
WATER AGENCY

By
President

Chief Engineer & General Manager

CITY OF WEST COVINA

Location and Size

The City of West Covina is located in the eastern part of San Gabriel Valley in Los Angeles County. The City, as of July 1, 1964, encompassed an area of about 9,100 acres and had an estimated population of 62,200.

Water Supply and Utilization

The entire supply of water presently being used within the City is obtained from the underlying ground water basin. The ground water supply is being substantially overdrawn making it necessary to obtain a supplemental supply for the estimated future population growth.

Items of Contract Information Unique to Agency

Date of Contract - Preamble

December 2, 1963

Agency's Principal Place of Business - Preamble

West Covina

Estimated Year of Initial Water Delivery - Article 6(a)

1972

Date of Request as to Delivery Structures - Article 10(b)

June 1, 1964

Limit on Instantaneous Rate of Delivery - Article 12(c)

17 cfs (Increased by Amendment No. 1 to 19 cfs.)

NOTES AND COMMENTS

E. SPECIAL PROVISIONS AND TABLES

45. SPECIAL PROVISIONS

(a) Notwithstanding other provisions of this contract, surplus water for agricultural and ground water replenishment use shall be offered to contractors on the following basis. Before surplus water is sold for other than agricultural and ground water replenishment use, each contractor shall have the right, subject to the ability of the State to deliver such water, to contract for agricultural and ground water replenishment use for a portion of the total amount of surplus water available in any year, in an amount which bears the same ratio to the total amount of surplus water available in that year as the sum of the annual entitlements, set forth in Table A of this contract, delivered to the contractor for agricultural and ground water replenishment use during the preceding three years bears to the total amount of such annual entitlements delivered for agricultural and ground water replenishment use during the preceding three years of all contractors requesting surplus water: *Provided,* That if its proportion of such surplus water is not required by or cannot be delivered to any contractor, such amount of additional surplus water shall be offered to other contractors for agricultural and ground water replenishment use. During the first three years in which project water is delivered to a contractor, the State shall determine the amount of surplus water which the contractor may obtain based on the contractor's maximum annual entitlement and the estimated percentage of its annual entitlement to be delivered for agricultural and ground water replenishment use; but quantities so determined shall not exceed the contractor's annual entitlement for that year. For the purpose of computing the portion of the surplus water for agricultural and ground water replenishment use to which each contractor is entitled, the State shall determine the amounts of water used for agricultural and ground water replenishment use by each contractor in each year: *Provided,* That each contractor shall furnish certified copies of such records and data concerning the use of water within its boundaries as the State may request.

Surplus water for agricultural and ground water replenishment use shall be furnished at prices which will return to the State the variable operation, maintenance, power, and replacement components of the Delta Water Charge and Transportation Charge incurred in such service of surplus water as determined by the State. A surcharge shall be added to the rate for surplus water furnished to excess land in an amount and under the conditions specified in Article 30 of this contract. Contracts made pursuant to this subdivision may exceed one year in duration.

Except as herein modified, the provisions of Article 21 of this contract are hereby confirmed, and all surplus water not specifically allocated pursuant to this subdivision shall be sold under the provisions of Article 21.

As used in this subdivision "ground water replenishment use" shall mean the use of project water exclusively by direct application to spreading basins, streambeds, or through other means of direct artificial recharge for the purpose of replenishing overdrawn ground water basins.

(b) Notwithstanding other provisions of this contract, the State may include provisions in water supply contracts allowing a credit to a contractor not to exceed the surcharge to be paid by such contractor: *Provided,* That auch credit shall be utilized to reduce the cost of water for agricultural use on other than excess land at a uniform rate per acre-foot not to exceed two dollars ($2) per acre-foot. Any contract including provisions pursuant to this subdivision shall assure that the reductions in the contractors' obligations authorized by this subdivision are made available exclusively for the benefit of agricultural use on land other than excess land and are not directly or indirectly made available for the benefit of agricultural use on excess land.

(c) The State shall provide sufficient capacity in the transportation facilities, subject to the provisions of Article 17(b), to deliver 10 percent of the Agency's annual entitlement in each of 9.6 months in each year. Subject to the foregoing limitation, in scheduling deliveries under Article 12(a), the State will provide for up to 16 percent of the Agency's annual entitlement to be delivered in excess of a rate of 8-1/3 percent of the annual entitlement per month.

(d) The payment under the capital cost component of the Transportation Charge which under Article 29 is due on or before January 1, 1964, shall be deferred until on or before July 1, 1964, when it shall be paid, with interest at the project interest rate compounded annually, concurrently with the payment due on that date.

(e) Notwithstanding the provisions of Article 15(b), annexations to the Agency shall not require the consent of the State.

TABLE A

ANNUAL ENTITLEMENTS
CITY OF WEST COVINA

Year	Total Annual Amount In Acre-Feet
1	4,300
2	4,600
3	4,900
4	5,200
5	5,600
6	5,900
7	6,200
8	6,500
9	6,900
10	7,200
11	7,500
12	7,800
13	8,100
14	8,500
15	8,800
16	9,100
17	9,400
18	9,700
19	10,000
and each succeeding year thereafter, for the term of this contract as a Maximum Annual Entitlement:	10,000

TABLE H

PROJECT TRANSPORTATION FACILITIES
CITY OF WEST COVINA

A San Joaquin Valley–Southern California Aqueduct extending to Devil Canyon Power Plant 2 on the East Branch Aqueduct defined below, to the extent such aqueduct is determined by the State to be required for water transportation.

> "East Branch Aqueduct" shall mean that portion of the San Joaquin Valley–Southern California Aqueduct specified in Section 12934(d) (2) of the Water Code extending from the Junction of East and West Branches to a terminus in the vicinity of Perris, Riverside County.

TABLE I

AQUEDUCT REACHES
CITY OF WEST COVINA

Aqueduct Reach	Major Features of Reach
Delta to Discharge Delta Pumping Plant:	Intake Canal Fish Protective Facilities Delta Pumping Plant (Pumping Plant I)
Discharge Delta Pumping Plant to San Luis Forebay:	Aqueduct
San Luis Forebay:	San Luis Forebay and Forebay Dam
San Luis Forebay to Kettleman City:	Aqueduct Mile 18 Pumping Plant
Kettleman City to Avenal Gap:	Aqueduct
Avenal Gap to Buena Vista Pumping Plant:	Aqueduct
Buena Vista Pumping Plant to Wheeler Ridge Pumping Plants I and II:	Buena Vista Pumping Plant Aqueduct
Wheeler Ridge Pumping Plants I and II to Tehachapi Pumping Plant:	Wheeler Ridge Pumping Plant I Wheeler Ridge Pumping Plant II Aqueduct
Tehachapi Pumping Plant to South Portal Tehachapi Tunnels:	Tehachapi Pumping Plant (Pumping Plant VI) Tehachapi Tunnels
South Portal Tehachapi Tunnels to Junction, East and West Branches:	Cottonwood Power Plant Aqueduct
EAST BRANCH	
Junction, East and West Branches to Little Rock Creek:	Aqueduct
Little Rock Creek to West Fork Mojave River:	Pearblossom Pumping Plant Aqueduct
West Fork to Cedar Springs Reservoir:	Cedar Springs Dam Cedar Springs Reservoir Aqueduct
Cedar Springs Reservoir to tailrace Devil Canyon Power Plant 2:	San Bernardino Tunnel Devil Canyon Power Plant 1 Devil Canyon Power Plant 2

IN WITNESS WHEREOF, the parties hereto have executed this contract on the date first above written:

Approved as to legal form and sufficiency:

P. G. Tourney

Chief Counsel
Department of Water Resources
P.O. 388
Sacramento, California

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

By William E. Warne
Director

Attest:

Robert Flatters

City Clerk
City of West Covina
1444 West Garvey Avenue
West Covina, California

CITY OF WEST COVINA

By Claudia L. Bonnie
Mayor

Approved as to form and execution:

Lawrence Williams

City Attorney

STATE OF CALIFORNIA
THE RESOURCES AGENCY
DEPARTMENT OF WATER RESOURCES

AMENDMENT NO. 1 TO WATER SUPPLY
CONTRACT BETWEEN THE STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES AND
CITY OF WEST COVINA

THIS CONTRACT, made this 28th day of September, 1964, pursuant to the provisions of the California Water Resources Development Bond Act, the State Central Valley Project Act, and other applicable laws of the State of California, between the State of California, acting by and through its Department of Water Resources, herein referred to as the "State," and City of West Covina, a public agency in the State of California, duly organized, existing, and acting pursuant to the laws thereof with its principal place of business in West Covina, California, herein referred to as the "Agency,"

WITNESSETH, That:

WHEREAS, the State is authorized to construct and operate facilities for the storage and conveyance of water, certain of which facilities will make water available to the Agency; and

WHEREAS, the State and the Agency have entered into a water supply contract, dated December 2, 1963, providing that the State shall supply certain quantities of water to the Agency, and providing that the Agency shall make certain payments to the State, and setting forth the terms and conditions of such supply and such payment; and

WHEREAS, the maximum annual entitlements under all contracts executed by the State on or before December 31, 1963, did not aggregate the amount of the minimum project yield as defined in such water supply contract; and

WHEREAS, the Agency has elected to become entitled to a certain amount of the uncontracted for portion of the minimum project yield under the provisions of Article 8 of the above-mentioned contract and the State has determined that the Agency can put the water involved to beneficial use within a reasonable period of time; and

WHEREAS, the State and the Agency are desirous of making certain other changes and additions to such contract, while otherwise continuing the contract in full force and effect;

NOW THEREFORE, it is mutually agreed that the following changes and additions are hereby made to the Agency's water supply contract with the State:

1. Subdivision (k) of Article 1 is amended to read as follows:

(k) Minimum Project Yield

"Minimum project yield" shall mean the dependable annual supply of project water to be made available, estimated to be 4,230,000 acre-feet per year, said amount to be determined by the State on the basis of coordinated operation studies of initial project conservation facilities and additional project conservation facilities, which studies shall be based upon:

(1) The estimated relative proportion of deliveries for agricultural use to deliveries for municipal use for the year 1990, and the characteristic distributions of demands for these two uses throughout the year.

(2) An allowable reduction in the agricultural use portion of the minimum project yield, due to drought, of not to exceed fifty percent (50%) in any one year, nor a total of one hundred percent (100%) of one year's supply in any series of seven consecutive years.

(3) Agreements now in effect or as hereafter amended or supplemented between the State and the United States and others regarding the diversion or utilization of waters of the Delta or streams tributary thereto.

2. Table A of the contract entitled "Annual Entitlements City of West Covina" is amended to read as follows:

TABLE A

ANNUAL ENTITLEMENTS
CITY OF WEST CONVINA

Year	Total Annual Amount in Acre-feet
1	4,200
2	4,600
3	4,900
4	5,200
5	5,600
6	5,900
7	6,300
8	6,600
9	7,000
10	7,300
11	7,600
12	8,000
13	8,300
14	8,700
15	9,300
16	9,800
17	10,400
18	11,000
19	11,500
And each succeeding year thereafter, for the term of this contract:	11,500

3. Subdivision (c) of Article 12 is amended to read as follows:

(c) Limit on Rate of Delivery to Agency

In no event shall the State be obligated to deliver water to the Agency through all delivery structures at a total combined instantaneous rate of flow exceeding nineteen (19) cubic feet per second, except as this rate of flow may be revised by amendment of this article after submission to the State of the Agency's requests with respect to maximum flow capacities to be provided in said delivery structures, pursuant to Article 10.

4. Subdivision (a) of Article 16 is amended to read as follows:

(a) Limit on Total of All Maximum Annual Entitlements

The Agency's maximum annual entitlement hereunder, together with the maximum annual entitlements of all other contractors, shall aggregate no more than the minimum project yield as defined herein and in no event more than 4,230,000 acre-feet of project water.

5. Subdivision (a) of Article 45 is amended to read as follows:

(a) Notwithstanding other provisions of this contract, surplus water for agricultural and ground water replenishment use shall be offered to contractors on the following basis. Before surplus water is sold for other than agricultural and ground water replenishment use, each contractor shall have the right, subject to the ability of the State to deliver such water and to the provisions of the next succeeding paragraph, to contract for agricultural and ground water replenishment use for a portion of the total amount of surplus water available in any year, in an amount which bears the same ratio to the total amount of surplus water available in that year as the sum of the annual entitlements, set forth in Table A of this contract, delivered to the contractor for agricultural and ground water replenishment use during the preceding three years bears to the total amount of such annual entitlements delivered for agricultural and ground water replenishment use during the preceding three years of all contractors

requesting surplus water: Provided, that if its proportion of such surplus water is not required by or cannot be delivered to any contractor, such amount of additional surplus water shall be offered to other contractors for agricultural and ground water replenishment use. During the first three years in which project water is delivered to a contractor, the State shall determine the amount of surplus water which the contractor may obtain based on the contractor's maximum annual entitlement and the estimated percentage of its annual entitlement to be delivered for agricultural and ground water replenishment use; but quantities so determined shall not exceed the contractor's annual entitlement for that year. For the purpose of computing the portion of the surplus water for agricultural and ground water replenishment use to which each contractor is entitled, the State shall determine the amounts of water used for agricultural and ground water replenishment use by each contractor in each year: Provided, that each contractor shall furnish certified copies of such records and data concerning the use of water within its boundaries as the State may request.

The provisions of this paragraph shall be applicable only to contractors in the San Joaquin Valley Service Area, contractors in the Southern California Service Area, and contractors in the Central Coastal Service Area. Before surplus water is sold for other than agricultural and ground water replenishment use, each such contractor shall have the right, subject to the ability of the State to deliver such water, to contract for agricultural and

ground water replenishment use in accordance with the following formula: contractors in the San Joaquin Valley Service Area shall have a right to contract for sixty-nine percent (69%) of the surplus water available at the Mile 18 Pumping Plant; contractors in the Southern California Service Area shall have a right to contract for twenty-nine percent (29%) of such water; and contractors in the Central Coastal Service Area shall have a right to contract for two percent (2%) of such water: Provided, that within each of these service areas, each contractor shall have the right to contract for agricultural and ground water replenishment use for a portion of the total amount of surplus water available to that service area in any year, in an amount which bears the same ratio to the total amount of surplus water available to the service area in that year as the sum of the annual entitlements, set forth in Table A of this contract, delivered to the contractor for agricultural and ground water replenishment use during the preceding three years bears to the total amount of such annual entitlements delivered for agricultural and ground water replenishment use during the preceding three years of all contractors in that service area requesting surplus water: Provided, further, that if its proportion of such surplus water is not required by or cannot be delivered to any contractor, such amount of additional surplus water shall be offered to other contractors for agricultural and ground water replenishment use. During the first three years in which project water is delivered to a contractor, the State shall determine the amount of surplus water which the contractor may

obtain based on the contractor's maximum annual entitlement and the estimated percentage of its annual entitlement to be delivered for agricultural and ground water replenishment use; but quantities so determined shall not exceed the contractor's annual entitlement for that year. As used in this paragraph, "contractors in the San Joaquin Valley Service Area" shall mean: Devil's Den Water District, Dudley Ridge Water District, Empire West Side Irrigation District, Hacienda Water District, Kern County Water Agency, and Tulare Lake Basin Water Storage District; "contractors in the Southern California Service Area" shall mean: Antelope Valley-East Kern Water Agency, City of West Covina, Coachella Valley County Water District, Crestline-Lake Arrowhead Water Agency, Desert Water Agency, Littlerock Creek Irrigation District, Mojave Water Agency, Palmdale Irrigation District, San Bernardino Valley Municipal Water District, San Gabriel Valley Municipal Water District, San Gorgonio Pass Water Agency, The Metropolitan Water District of Southern California, Upper Santa Clara Valley Water Agency, and Ventura County Flood Control District; "contractors in the Central Coastal Service Area" shall mean: San Luis Obispo County Flood Control and Water Conservation District and Santa Barbara County Flood Control and Water Conservation District.

The provision of this paragraph shall be applicable only to a contractor to which the delivery of project water for municipal use as of 1990 is estimated by the State to be in excess of fifty percent (50%) of such contractor's maximum annual entitlement. For the purpose of fixing such contractor's right to delivery

of surplus water, water from a watershed not tributary to the contractor's area which is delivered within the contractor's boundaries for agricultural or ground water replenishment use shall be deemed to be part of the contractor's annual entitlement delivered for such use in computing the quantity of surplus water to which the contractor is entitled under this subdivision: Provided, that the contractor shall not be deemed to have used more than its annual entitlement, as set forth in Table A, for such use. Surplus water shall be deemed to be used by the contractor for agricultural or ground water replenishment use if an equal quantity of water imported from a watershed not tributary to the contractor's area is delivered within the contractor's boundaries for such use.

In providing for the delivery of surplus water to contractors pursuant to this subdivision, the State shall refuse to deliver such surplus water to any contractor to the extent that the State determines that such delivery would tend to encourage the development of an economy within the area served by such contractor which would be dependent upon the sustained delivery of water in excess of the contractor's maximum annual entitlement. In no event shall the quantity of surplus water made available in any year prior to 1986 to any contractor under this subdivision exceed the difference between its annual entitlement for that year and its maximum annual entitlement, except that, subject to provisions of the immediately preceding sentence, with respect to any contractor which under Table A of its contract is scheduled to

receive its maximum annual entitlement prior to 1978, the quantity of surplus water made available in any year prior to 1986 under this subdivision may exceed such difference by not more than 3,000 acre-feet.

Surplus water for agricultural and ground water replenishment use shall be furnished at prices which will return to the State the variable operation, maintenance, power, and replacement components of the Delta Water Charge and Transportation Charge incurred in such service of surplus water as determined by the State. Surplus water delivered under this subdivision shall be limited to the quantity of water which can be delivered without adversely affecting the reliability, or increasing the cost, of service to meet annual entitlements. A surcharge shall be added to the rate for surplus water furnished to excess land in an amount and under the conditions specified in Article 30 of this contract. Contracts made pursuant to this subdivision may exceed one year in duration.

Except as herein modified, the provisions of Article 21 of this contract are hereby confirmed, and all surplus water not specifically allocated pursuant to this subdivision shall be sold under the provisions of Article 21. Nothing in this subdivision shall limit the right of the Agency to increase its annual entitlements as otherwise provided in this contract.

As used in this subdivision "ground water replenishment use" shall mean the use of project water exclusively by direct application to spreading basins, streambeds, or through other

means of direct artificial recharge for the purpose of replenishing overdrawn ground water basins.

6. Subdivision (b) of Article 45 is amended to read as follows:

(b) Notwithstanding other provisions of this contract, the State may allow a credit to each contractor not to exceed the surcharge paid by such contractor.

For the purpose of this contract, the surcharge credit shall be determined and applied in the following manner:

(1) The State shall, in each year after the year of initial water delivery, allow a credit to the Agency in the amount of the surcharge forwarded by the Agency to the State in the preceding year.

(2) The Agency shall not establish water rates, or tax or assessment rates, so as to cause the surcharge credit to be passed on to water users in a manner which will bring about a greater reduction in the cost per acre-foot of project water put to use on excess land than such cost of project water put to use on other than excess land.

This subdivision 45(b) shall be separable from all other provisions in this contract, and in the event that any or all of the provisions of this subdivision are in any manner or to any extent held to be invalid by final judgment or decree of a court of competent jurisdiction, such holding and such invalidity shall in no way affect the validity of, or make invalid, any other provision of this contract.

IN WITNESS WHEREOF, the parties hereto have executed this contract on the date first above written.

Approved as to legal form and sufficiency:

P. A. Towner
Chief Counsel
Department of Water Resources

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

By _____
Director

Attest:

Robert Flotten
City Clerk
City of West Covina

CITY OF WEST COVINA

By _____
Mayor

Approved as to form and execution:

_____
City Attorney

CITY OF YUBA CITY

Location and Size

The City lies in the northern portion of the great central valley of California, near the confluence of the Yuba and Feather Rivers, approximately 40 miles due north of Sacramento. The City, as of July 1, 1964, encompassed an area of about 2,000 acres and had an estimated population of 13,600.

Water Supply and Utilization

Yuba City presently derives its entire water supply from ground water. Because of the relatively poor quality of this supply and the difficulty of adequately treating it, the City proposes to gradually convert to utilization of Feather River water only. This supply will be available as a result of water supply contracts and a city water right permit.

Items of Contract Information Unique to Agency

Date of Contract - Preamble

December 30, 1963

Agency's Principal Place of Business - Preamble

Yuba City

Estimated Year of Initial Water Delivery - Article 6(a)

1981

Date of Request as to Delivery Structures - Article 10(b)

December 1, 1978

Limit on Instantaneous Rate of Delivery - Article 12(c)

60 cfs

NOTES AND COMMENTS

E. SPECIAL PROVISIONS AND TABLES

45. SPECIAL PROVISIONS

(a) Notwithstanding other provisions of this contract, surplus water for agricultural and ground water replenishment use shall be offered to contractors on the following basis. Before surplus water is sold for other than agricultural and ground water replenishment use, each contractor shall have the right, subject to the ability of the State to deliver such water, to contract for agricultural and ground water replenishment use for a portion of the total amount of surplus water available in any year, in an amount which bears the same ratio to the total amount of surplus water available in that year as the sum of the annual entitlements delivered to the contractor for agricultural and ground water replenishment use during the preceding three years bears to the total amount of the annual entitlements delivered for agricultural and ground water replenishment use during the preceding three years of all contractors requesting surplus water: *Provided,* That if its proportion of such surplus water is not required by or cannot be delivered to any contractor, such amount of additional surplus water shall be offered to other contractors for agricultural and ground water replenishment use. During the first three years in which project water is delivered to a contractor, the State shall determine the amount of surplus water which the contractor may obtain based on the contractor's maximum annual entitlement and the estimated percentage of its annual entitlement to be delivered for agricultural and ground water replenishment use; but quantities so determined shall not exceed the contractor's annual entitlement for that year. For the purpose of computing the portion of the surplus water for agricultural and ground water replenishment use to which each contractor is entitled, the State shall determine the amounts of water used for agricultural and ground water replenishment use by each contractor in each year: *Provided,* That each contractor shall furnish certified copies of such records and data concerning the use of water within its boundaries as the State may request.

Surplus water for agricultural and ground water replenishment use shall be furnished at prices which will return to the State the variable operation, maintenance, power, and replacement components of the Delta Water Charge and Transportation Charge incurred in such service of surplus water as determined by the State. A surcharge shall be added to the rate for surplus water furnished to excess land in an amount and under the conditions specified in Article 30 of this contract. Contracts made pursuant to this subdivision may exceed one year in duration.

Except as herein modified, the provisions of Article 21 of this contract are hereby confirmed, and all surplus water not specifically allocated pursuant to this subdivision shall be sold under the provisions of Article 21.

As used in this subdivision "ground water replenishment use" shall mean the use of project water exclusively by direct application to spreading basins, streambeds, or through other means of direct artificial recharge for the purpose of replenishing overdrawn ground water basins.

(b) Notwithstanding other provisions of this contract, the State may include provisions in water supply contracts allowing a credit to a contractor not to exceed the surcharge to be paid by such contractor: *Provided,* That such credit shall be utilized to reduce the cost of water for agricultural use on other than excess land at a uniform rate per acre-foot not to exceed two dollars ($2) per acre-foot. Any contract including provisions pursuant to this subdivision shall assure that the reductions in the contractors' obligations authorized by this subdivision are made available exclusively for the benefit of agricultural use on land other than excess land and are not directly or indirectly made available for the benefit of agricultural use on excess land.

(c) Notwithstanding the provisions of Article 10(d), any delivery structure requested by the Agency, if in the opinion of the State the structure will not interfere with or adversely affect any project facilities or the operation thereof, may be designed, constructed, operated, and maintained by the Agency subject to prior written approval by the State of plans and specifications for such structure: *Provided,* That the provisions of Article 10(d) shall apply to all delivery structures constructed by the State.

(d) Notwithstanding the provisions of Article 11, measuring devices and equipment to be installed in any delivery structure constructed by the Agency, pursuant to subdivision (c) of this article, may be acquired and installed by the Agency but shall be maintained and operated by the State: *Provided,* That such measuring devices and equipment as may be acquired and installed by the Agency shall be satisfactory and acceptable to the State, and shall be installed under the supervision of the State: *Provided further,* That

said devices and equipment shall be examined, tested and serviced regularly by the State to insure their accuracy, and that at any time or times the Agency or any other contractor may inspect such devices and equipment, and the measurements and records taken therefrom: *Provided further,* That the provisions of Article 11 shall apply to all measuring devices and equipment acquired and installed by the State.

(e) Notwithstanding the provisions of Article 13(a), neither the State nor any of its officers, agents, or employees shall be liable for the control, carriage, handling, use, disposal, or distribution of project water supplied to the Agency after such water has reached delivery structures constructed by the Agency pursuant to subdivision (c) of this article; nor for claims of damage of any nature whatsoever arising out of or connected with the control, carriage, handling, use, disposal, or distribution of such water after such water has reached such delivery structures; and the Agency shall indemnify and hold harmless the State and its officers, agents, and employees from any such damages or claims of damage.

(f) Notwithstanding the provisions of Article 13(b), neither the Agency nor any of its officers, agents, or employees shall be liable for the control, carriage, handling, use, disposal, or distribution of project water before such water has reached the delivery structures constructed by the Agency pursuant to subdivision (c) of this article; nor for claims of damage of any nature whatsoever arising out of or connected with the control, carriage, handling, use, disposal, or distribution of such water before it has reached said delivery structures.

(g) Notwithstanding the provisions of Article 15(b), annexations to the Agency shall not require the consent of the State.

(h) Notwithstanding other provisions of this contract, nothing herein contained shall be construed as a waiver by the Agency of any rights it may have under the area of origin statutes or under permits to appropriate unappropriated water which have been issued to it heretofore by the State Water Rights Board, or as estopping or otherwise preventing the Agency or any person, firm, association, corporation, or public body or agency claiming by, through, or under the Agency from asserting by litigation or other lawful means the validity, constitutionality, construction, or application of any law of this State, including laws referred to in the Bond Act, or as preventing or prejudicing the right of any such entity to oppose the amendment or repeal of any such law.

(i) Project water supplied to the Agency pursuant to this contract shall be supplied on a delivery schedule which will ensure that the ratio of project water delivered each year to the Agency's total supply of water for such year equals or exceeds the average of the ratios that project water bore to the Agency's total water supply during July and August of the three preceding years: *Provided,* That the provisions of this subdivision shall not apply to the Agency's delivery schedule for the initial three years of water delivery under this contract.

(j) Notwithstanding other provisions of this contract, project water supplied to the Agency will not be delivered from or through project transportation facilities, and the Agency will incur no liability for any Transportation Charge.

Tables B to I, inclusive, are not applicable to this contract and are omitted therefrom.

TABLE A

ANNUAL ENTITLEMENTS
CITY OF YUBA CITY

Year	Total Annual Amount in Acre-feet
1	4,200
2	4,600
3	5,050
4	5,500
5	5,950
6	6,400
7	6,850
8	7,300
9	7,800
10	8,300
and each succeeding year thereafter, for the term of this contract as a Maximum Annual Entitlement:	8,300 Acre-feet

IN WITNESS WHEREOF, the parties hereto have executed this contract on the date first above written:

Approved as to legal form and sufficiency:

P. G. Townsend
Chief Counsel
Department of Water Resources
P. O. Box 388
Sacramento, California

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

By William E. Warne
Director

Attest:

Lewis A. Dunsam
City Clerk
City of Yuba City
City Hall
Yuba City, California

CITY OF YUBA CITY

By Kenneth H. Hopper
Mayor

Approved as to form and execution:

John J. Kennedy
City Attorney

STATE OF CALIFORNIA

DEPARTMENT OF WATER RESOURCES

AMENDMENT NO. 1 TO WATER SUPPLY
CONTRACT BETWEEN THE STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES AND
THE CITY OF YUBA CITY

THIS CONTRACT, made this 28th day of September 1964, pursuant to the provisions of the California Water Resources Development Bond Act, the State Central Valley Project Act, and other applicable laws of the State of California, between the State of California, acting by and through its Department of Water Resources, herein referred to as the "State," and the City of Yuba City, a public agency in the State of California, duly organized, existing, and acting pursuant to the laws thereof with its principal place of business in Yuba City, California, herein referred to as the "Agency,"

WITNESSETH, That:

WHEREAS, the State is authorized to construct and operate facilities for the storage and conveyance of water, certain of which facilities will make water available to the Agency; and

WHEREAS, the State and the Agency have entered into a water supply contract, dated December 30, 1963, providing that the State shall supply certain quantities of water to the Agency, and providing that the Agency shall make certain payments to the State, and setting forth the terms and conditions of such supply and such payment; and

WHEREAS, the maximum annual entitlements under all contracts executed by the State on or before December 31, 1963, did not aggregate the amount of the minimum project yield as defined in such water supply contract; and

WHEREAS, the Agency has elected to become entitled to a certain amount of the uncontracted for portion of the minimum project yield under the provisions of Article 8 of the above-mentioned contract and the State has determined that the Agency can put the water involved to beneficial use within a reasonable period of time; and

WHEREAS, the State and the Agency are desirous of making certain other changes and additions to such contract, while otherwise continuing the contract in full force and effect;

NOW THEREFORE, it is mutually agreed that the following changes and additions are hereby made to the Agency's water supply contract with the State:

1. Subdivision (k) of Article 1 is amended to read as follows:

(k) Minimum Project Yield

"Minimum project yield" shall mean the dependable annual supply of project water to be made available, estimated to be 4,230,000 acre-feet per year, said amount to be determined by the State on the basis of coordinated operation studies of initial project conservation facilities and additional project conservation facilities, which studies shall be based upon:

(1) The estimated relative proportion of deliveries for agricultural use to deliveries for municipal use for the year

1990, and the characteristic distributions of demands for these two uses throughout the year.

(2) An allowable reduction in the agricultural use portion of the minimum project yield, due to drought, of not to exceed fifty percent (50%) in any one year, nor a total of one hundred percent (100%) of one year's supply in any series of seven consecutive years.

(3) Agreements now in effect or as hereafter amended or supplemented between the State and the United States and others regarding the diversion or utilization of waters of the Delta or streams tributary thereto.

2. Table A entitled "Annual Entitlements City of Yuba City" is amended to read as follows:

TABLE A

ANNUAL ENTITLEMENTS
CITY OF YUBA CITY

Year	Total Annual Amount in Acre-feet
1	4,200
2	4,600
3	5,050
4	5,500
5	5,950
6	6,600
7	7,300
8	8,000
9	8,800
10	9,600
And each succeeding year thereafter, for the term of this contract as a maximum annual entitlement:	9,600

3. Subdivision (a) of Article 16 is amended to read as follows:

(a) Limit on Total of all Maximum Annual Entitlements

The Agency's maximum annual entitlement hereunder, together with the maximum annual entitlements of all other contractors, shall aggregate no more than the minimum project yield as defined herein and in no event more than 4,230,000 acre-feet of project water.

4. Subdivision (a) of Article 45 is amended to read as follows:

(a) Surplus Water

Notwithstanding other provisions of this contract, surplus water for agricultural and ground water replenishment use shall be offered to contractors on the following basis. Before surplus water is sold for other than agricultural and ground water replenishment use, each contractor shall have the right, subject to the ability of the State to deliver such water, to contract for agricultural and ground water replenishment use for a portion of the total amount of surplus water available in any year, in an amount which bears the same ratio to the total amount of surplus water available in that year as the sum of the annual entitlements, set forth in Table A of this contract, delivered to the contractor for agricultural and ground water replenishment use during the preceding three years bears to the total amount of such annual entitlements delivered for agricultural and ground water replenishment use during the preceding three years of all contractors requesting surplus water: Provided, That if its proportion of such surplus water is not required by or cannot be delivered to

any contractor, such amount of additional surplus water shall be offered to other contractors for agricultural and ground water replenishment use. During the first three years in which project water is delivered to a contractor, the State shall determine the amount of surplus water which the contractor may obtain based on the contractor's maximum annual entitlement and the estimated percentage of its annual entitlement to be delivered for agricultural and ground water replenishment use; but quantities so determined shall not exceed the contractor's annual entitlement for that year. For the purpose of computing the portion of the surplus water for agricultural and ground water replenishment use to which each contractor is entitled, the State shall determine the amounts of water used for agricultural and ground water replenishment use by each contractor in each year: Provided, That each contractor shall furnish certified copies of such records and data concerning the use of water within its boundaries as the State may request.

The provision of this paragraph shall be applicable only to a contractor to which the delivery of project water for municipal use as of 1990 is estimated by the State to be in excess of fifty percent (50%) of such contractor's maximum annual entitlement. For the purpose of fixing such contractor's right to delivery of surplus water, water from a watershed not tributary to the contractor's area which is delivered within the contractor's boundaries for agricultural or ground water replenishment use shall be deemed to be part of the contractor's annual entitlement delivered for such use in computing the quantity of surplus water

to which the contractor is entitled under this subdivision: Provided, That the contractor shall not be deemed to have used more than its annual entitlement, as set forth in Table A, for such use. Surplus water shall be deemed to be used by the contractor for agricultural or ground water replenishment use if an equal quantity of water imported from a watershed not tributary to the contractor's area is delivered within the contractor's boundaries for such use.

In providing for the delivery of surplus water to contractors pursuant to this subdivision, the State shall refuse to deliver such surplus water to any contractor to the extent that the State determines that such delivery would tend to encourage the development of any economy within the area served by such contractor which would be dependent upon the sustained delivery of water in excess of the contractor's maximum annual entitlement. In no event shall the quantity of surplus water made available in any year prior to 1986 to any contractor under this subdivision exceed the difference between its annual entitlement for that year and its maximum annual entitlement, except that, subject to provisions of the immediately preceding sentence, with respect to any contractor which under Table A of its contract is scheduled to receive its maximum annual entitlement prior to 1978, the quantity of surplus water made available in any year prior to 1986 under this subdivision may exceed such difference by not more than 3,000 acre-feet.

Surplus water for agricultural and ground water replenishment use shall be furnished at prices which will return to the

State the variable operation, maintenance, power, and replacement components of the Delta Water Charge and Transportation Charge incurred in such service of surplus water as determined by the State. Surplus water delivered under this subdivision shall be limited to the quantity of water which can be delivered without adversely affecting the reliability, or increasing the cost, of service to meet annual entitlements. A surcharge shall be added to the rate for surplus water furnished to excess land in an amount and under the conditions specified in Article 30 of this contract. Contracts made pursuant to this subdivision may exceed one year in duration.

Except as herein modified, the provisions of Article 21 of this contract are hereby confirmed, and all surplus water not specifically allocated pursuant to this subdivision shall be sold under the provisions of Article 21. Nothing in this subdivision shall limit the right of the Agency to increase its annual entitlements as otherwise provided in this contract.

As used in this subdivision "ground water replenishment use" shall mean the use of project water exclusively by direct application to spreading basins, streambeds, or through other means of direct artificial recharge for the purpose of replenishing overdrawn ground water basins.

5. Subdivision (b) of Article 45 is amended to read as follows:

(b) Surcharge Credit

Notwithstanding other provisions of this contract, the State may allow a credit to each contractor not to exceed the surcharge paid by such contractor.

For the purpose of this contract, the surcharge credit shall be determined and applied in the following manner:

(1) The State shall, in each year after the year of initial water delivery, allow a credit to the Agency in the amount of the surcharge forwarded by the Agency to the State in the preceding year.

(2) The Agency shall not establish water rates, or tax or assessment rates, so as to cause the surcharge credit to be passed on to water users in a manner which will bring about a greater reduction in the cost per acre-foot of project water put to use on excess land than such cost of project water put to use on other than excess land.

This subdivision 45(b) shall be separable from all other provisions in this contract, and in the event that any or all of the provisions of this subdivision are in any manner or to any extent held to be invalid by final judgment or decree of a court of competent jurisdiction, such holding and such invalidity shall in no way affect the validity of, or make invalid, any other provision of this contract.

IN WITNESS WHEREOF, the parties hereto have executed this contract on the date first above written.

Approved as to legal form and sufficiency:

Chief Counsel
Department of Water Resources

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

By _____
Director

Attest:

City Clerk
City of Yuba City
City Hall
Yuba City, California

CITY OF YUBA CITY

By _____
Mayor

Approved as to form and execution:

City Attorney

COACHELLA VALLEY COUNTY WATER DISTRICT

Location and Size

The District is made up of desert lands, almost all of which are located in Riverside County. Small portions of the District extend into San Diego and Imperial counties. As of July 1, 1964, the District had a total area of about 617,000 acres and an estimated population of 52,000.

Water Supply and Utilization

The present water supply being utilized in the District is made up of pumped ground water and of Colorado River water imported through the Coachella Branch of the All-American Canal. All of the imported supply and a substantial portion of the ground water supply is used for agricultural purposes. Water from the State Water Project will be used for municipal and industrial purposes.

Items of Contract Information Unique to Agency

Date of Contract - Preamble

March 29, 1963

Agency's Principal Place of Business - Preamble

Coachella

Estimated Year of Initial Water Delivery - Article 6(a)

1972

Date of Request as to Delivery Structures - Article 10(b)

June 1, 1964

Limit on Instantaneous Rate of Delivery - Article 12(c)

37 cfs (Increased by Amendment No. 2 to 42 cfs.)

NOTES AND COMMENTS

E. SPECIAL PROVISIONS AND TABLES

45. SPECIAL PROVISIONS

(a) On or before June 30, 1963, the Agency shall furnish to the State its written request specifying the year in which the first delivery of project water from the East Branch Aqueduct as defined in Table H of this contract shall be made to the Agency. The timing of first deliveries of project water from said Branch Aqueduct shall be as so requested by the Agency: *Provided*, That in the event said request is, in the judgment of the State, incompatible with similar requests received from other contractors to be served from or through said Branch Aqueduct, which contractors have executed contracts with the State on or before June 30, 1963, the timing of first deliveries of project water to the Agency and such other contractors from said Branch Aqueduct shall be as established by mutual agreement among the State, the Agency, and said contractors: *Provided further*, That if such agreement has not been reached on or before December 31, 1963, the State may then construct said Branch Aqueduct in accordance with such construction schedules as, in the judgment of the State, will best serve the interests of all those contractors whose service areas are located south of the South Portal of the Tehachapi Tunnels and which have executed contracts with the State on or before June 30, 1963.

(b) The State shall provide sufficient capacity in the transportation facilities, subject to the provisions of Article 17(b), to deliver 11 percent of the Agency's annual entitlement in each of four months in each year. Subject to the foregoing limitation, in scheduling deliveries under Article 12(a) the State will provide for up to 1/9 of the Agency's annual entitlement to be delivered in excess of a rate of 8 1/3 percent of the annual entitlement per month.

(c) The annexations to the Agency authorized by the contract between the United States Department of Interior, Bureau of Reclamation and the Agency, dated October 15, 1934, are deemed to be approved by the department within the meaning of Article 15(b) and are designated as follows:

(1) The Dos-Palmas Area described in Exhibit "D" of said contract;

(2) the Salton Area described in Exhibit "C" of said contract;

(3) the Fish Springs Area described in Exhibit "E" of said contract.

TABLE A

ANNUAL ENTITLEMENTS
COACHELLA VALLEY COUNTY WATER DISTRICT

Year	Total annual amount in acre-feet
1	5,200
2	5,800
3	6,400
4	7,000
5	7,600
6	8,200
7	8,800
8	9,400
9	10,000
10	11,000
11	12,000
12	13,000
13	14,000
14	15,000
15	16,000
16	17,000
17	18,000
18	19,000
19	20,000
and each succeeding year thereafter, for the term of this contract as a Maximum Annual Entitlement:	20,000

TABLE H

PROJECT TRANSPORTATION FACILITIES
COACHELLA VALLEY COUNTY WATER DISTRICT

A San Joaquin Valley–Southern California Aqueduct extending to Cedar Springs Reservoir on the East Branch Aqueduct defined below, to the extent such aqueduct is determined by the State to be required for water transportation.

> ***"East Branch Aqueduct"*** shall mean that portion of the San Joaquin Valley–Southern California Aqueduct specified in Section 12934(d) (2) of the Water Code extending from the Junction of East and West Branches to a terminus in the vicinity of Perris, Riverside County.

TABLE I

AQUEDUCT REACHES
COACHELLA VALLEY COUNTY WATER DISTRICT

Aqueduct Reach	Major Features of Reach
Delta to Discharge Delta Pumping Plant:	Intake Canal Fish Protective Facilities Delta Pumping Plant (Pumping Plant I)
Discharge Delta Pumping Plant to San Luis Forebay:	Aqueduct
San Luis Forebay:	San Luis Forebay and Forebay Dam
San Luis Forebay to Kettleman City:	Aqueduct Mile 18 Pumping Plant
Kettleman City to Avenal Gap:	Aqueduct
Avenal Gap to Buena Vista Pumping Plant:	Aqueduct
Buena Vista Pumping Plant to Wheeler Ridge Pumping Plants I and II:	Buena Vista Pumping Plant Aqueduct
Wheeler Ridge Pumping Plants I and II to Tehachapi Pumping Plant:	Wheeler Ridge Pumping Plant I Wheeler Ridge Pumping Plant II Aqueduct
Tehachapi Pumping Plant to South Portal Tehachapi Tunnels:	Tehachapi Pumping Plant (Pumping Plant VI) Tehachapi Tunnels
South Portal Tehachapi Tunnels to Junction, East and West Branches:	Cottonwood Power Plant Aqueduct
EAST BRANCH	
Junction, East and West Branches to Little Rock Creek:	Aqueduct
Little Rock Creek to West Fork Mojave River:	Pearblossom Pumping Plant Aqueduct
West Fork Mojave River to Cedar Springs Reservoir:	Aqueduct Cedar Springs Dam Cedar Springs Reservoir

IN WITNESS WHEREOF, the parties hereto have executed this contract on the date first above written.

Approved as to legal form and sufficiency:

P. G. Towner

Chief Counsel
Department of Water Resources
P. O. Box 388
Sacramento, California

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

By E. Warne
Director

Attest:

Barbara K. Schmid

Secretary
Coachella Valley County Water District
P.O. Box 1058
Coachella, California

COACHELLA VALLEY COUNTY WATER DISTRICT

By Leon Kennedy
President

Approved as to form and execution:

Counsel

By Harold L. Jameson
Director

By Raymond K. Rummonds
Director

By Jack Frost
Director

By Dwight L. Leach
Director

STATE OF CALIFORNIA

DEPARTMENT OF WATER RESOURCES

AMENDMENT NO. 1 TO WATER SUPPLY
CONTRACT BETWEEN THE STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES AND
COACHELLA VALLEY COUNTY WATER DISTRICT

THIS CONTRACT, made this 26th day of February, 1963, pursuant to the provisions of the California Water Resources Development Bond Act, the State Central Valley Project Act, and other applicable laws of the State of California, between the State of California, acting by and through its Department of Water Resources, herein referred to as the "State," and Coachella Valley County Water District, a public agency in the State of California, duly organized, existing, and acting pursuant to the laws thereof with its principal place of business in Coachella, California, herein referred to as the "Agency,"

WITNESSETH, That:

WHEREAS, the State is authorized to construct and operate facilities for the storage and conveyance of water, certain of which facilities will make water available to the Agency; and

WHEREAS, the State and the Agency have entered into a water supply contract, dated March 29, 1963, providing that the State shall supply certain quantities of water to the Agency, and providing that the Agency shall make certain payments to the State, and setting forth the terms and conditions of such supply and such payment; and

WHEREAS, the State and the Agency are desirous of making certain changes and additions to the above-mentioned contract, while otherwise continuing the contract in full force and effect;

NOW THEREFORE, it is mutually agreed that the following changes and additions are hereby made to the Agency's water supply contract with the State:

Article 46 is added to the contract to read as follows:

46. Amendatory Provisions

a. Surplus Water

Notwithstanding other provisions of this contract, surplus water for agricultural and ground water replenishment use shall be offered to contractors on the following basis. Before surplus water is sold for other than agricultural and ground water replenishment use, each contractor shall have the right, subject to the ability of the State to deliver such water, to contract for agricultural and ground water replenishment use for a portion of the total amount of surplus water available in any year, in an amount which bears the same ratio to the total amount of surplus water available in that year as the sum of the annual entitlements delivered to the contractor for agricultural and ground water replenishment use during the preceding three years bears to the total amount of the annual entitlements delivered for agricultural and ground water replenishment use during the preceding three years of all contractors requesting surplus water: Provided, That if its proportion of such surplus water is not required by or cannot be delivered to any contractor, such amount of additional surplus water shall be offered to other contractors for agricultural and

ground water replenishment use. During the first three years in which project water is delivered to a contractor, the State shall determine the amount of surplus water which the contractor may obtain based on the contractor's maximum annual entitlement and the estimated percentage of its annual entitlement to be delivered for agricultural and ground water replenishment use; but quantities so determined shall not exceed the contractor's annual entitlement for that year. For the purpose of computing the portion of the surplus water for agricultural and ground water replenishment use to which each contractor is entitled, the State shall determine the amounts of water used for agricultural and ground water replenishment use by each contractor in each year: Provided, That each contractor shall furnish certified copies of such records and data concerning the use of water within its boundaries as the State may request.

Surplus water for agricultural and ground water replenishment use shall be furnished at prices which will return to the State the variable operation, maintenance, power, and replacement components of the Delta Water Charge and Transportation Charge incurred in such service of surplus water as determined by the State A surcharge shall be added to the rate for surplus water furnished to excess land in an amount and under the conditions specified in Article 30 of this contract. Contracts made pursuant to this subdivision may exceed one year in duration.

Except as herein modified, the provisions of Article 21 of this contract are hereby confirmed, and all surplus water not specifically allocated pursuant to this subdivision shall be sold under the provisions of Article 21.

As used in this subdivision "ground water replenishment use" shall mean the use of project water exclusively by direct application to spreading basins, streambeds, or through other means of direct artificial recharge for the purpose of replenishing overdrawn ground water basins.

b. Surcharge Credit

Notwithstanding other provisions of this contract, the State may include provisions in water supply contracts allowing a credit to a contractor not to exceed the surcharge to be paid by such contractor: Provided, That such credit shall be utilized to reduce the cost of water for agricultural use on other than excess land at a uniform rate per acre-foot not to exceed two dollars ($2) per acre-foot. Any contract including provisions pursuant to this subdivision shall assure that the reductions in the contractors' obligations authorized by this subdivision are made available exclusively for the benefit of agricultural use on land other than excess land and are not directly or indirectly made available for the benefit of agricultural use on excess land.

IN WITNESS WHEREOF, the parties hereto have executed this contract on the date first above written.

Approved as to legal form and sufficiency:

P. C. Tournen
Chief Counsel
Department of Water Resources

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

By _____
Director

COACHELLA VALLEY COUNTY WATER DISTRICT

By Leon Kennedy
President

Attest:

Iris Kramer
Secretary
Coachella Valley County Water District
P. O. Box 1058
Coachella, California

By _____

By _____

Approved as to form and execution:

_____
Counsel

STATE OF CALIFORNIA

DEPARTMENT OF WATER RESOURCES

AMENDMENT NO. 2 TO WATER SUPPLY
CONTRACT BETWEEN THE STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES AND
COACHELLA VALLEY COUNTY WATER DISTRICT

THIS CONTRACT, made this 28th day of September 1964, pursuant to the provisions of the California Water Resources Development Bond Act, the State Central Valley Project Act, and other applicable laws of the State of California, between the State of California, acting by and through its Department of Water Resources, herein referred to as the "State," and Coachella Valley County Water District, a public agency in the State of California, duly organized, existing, and acting pursuant to the laws thereof with its principal place of business in Coachella, California, herein referred to as the "Agency,"

WITNESSETH, That:

WHEREAS, the State is authorized to construct and operate facilities for the storage and conveyance of water, certain of which facilities will make water available to the Agency; and

WHEREAS, the State and the Agency have entered into a water supply contract, dated March 29, 1963, as amended February 26, 1964, providing that the State shall supply certain quantities of water to the Agency, and providing that the Agency shall make certain payments to the State, and setting forth the terms and conditions of such supply and such payment; and

WHEREAS, the maximum annual entitlements under all contracts executed by the State on or before December 31, 1963, did not aggregate the amount of the minimum project yield as defined in such water supply contract; and

WHEREAS, the Agency has elected to become entitled to a certain amount of the uncontracted for portion of the minimum project yield under the provisions of Article 8 of the above-mentioned contract and the State has determined that the Agency can put the water involved to beneficial use within a reasonable period of time; and

WHEREAS, the State and the Agency are desirous of making certain other changes and additions to such contract, while otherwise continuing the contract in full force and effect;

NOW THEREFORE, it is mutually agreed that the following changes and additions are hereby made to the Agency's water supply contract with the State:

1. Subdivision (k) of Article 1 is amended to read as follows:

(k) Minimum Project Yield

"Minimum project yield" shall mean the dependable annual supply of project water to be made available, estimated to be 4,230,000 acre-feet per year, said amount to be determined by the State on the basis of coordinated operation studies of initial project conservation facilities and additional project conservation facilities, which studies shall be based upon:

(1) The estimated relative proportion of deliveries for agricultural use to deliveries for municipal use for the year

1990, and the characteristic distributions of demands for these two uses throughout the year.

(2) An allowable reduction in the agricultural use portion of the minimum project yield, due to drought, of not to exceed fifty percent (50%) in any one year, nor a total of one hundred percent (100%) of one year's supply in any series of seven consecutive years.

(3) Agreements now in effect or as hereafter amended or supplemented between the State and the United States and others regarding the diversion or utilization of waters of the Delta or streams tributary thereto.

2. Table A of the contract entitled "Annual Entitlements Coachella Valley County Water District" is amended to read as follows:

TABLE A

ANNUAL ENTITLEMENTS
COACHELLA VALLEY COUNTY WATER DISTRICT

Year	Total Annual Amount in Acre-feet
1	5,200
2	5,800
3	6,400
4	7,000
5	7,600
6	8,421
7	9,242
8	10,063
9	10,884
10	12,105
11	13,326
12	14,547
13	15,768
14	16,989
15	18,210
16	19,431
17	20,652
18	21,873
19	23,100
And each succeeding year thereafter, for the term of this contract:	23,100

3. Subdivision (c) of Article 12 is amended to read as follows:

(c) Limit on Rate of Delivery to Agency

In no event shall the State be obligated to deliver water to the Agency through all delivery structures at a total combined instantaneous rate of flow exceeding forty two (42) cubic feet per second, except as this rate of flow may be revised by amendment of this article after submission to the State of the Agency's requests with respect to maximum flow capacities to be provided in said delivery structures, pursuant to Article 10.

4. Subdivision (a) of Article 16 is amended to read as follows:

(a) Limit on Total of all Maximum Annual Entitlements

The Agency's maximum annual entitlement hereunder, together with the maximum annual entitlements of all other contractors, shall aggregate no more than the minimum project yield as defined herein and in no event more than 4,230,000 acre-feet of project water.

5. Article 46 is amended to read as follows:

46. Amendatory Provisions

(a) Surplus Water

Notwithstanding other provisions of this contract, surplus water for agricultural and ground water replenishment use shall be offered to contractors on the following basis. Before surplus water is sold for other than agricultural and ground water replenishment use, each contractor shall have the right, subject to the ability of the State to deliver such water and to the provisions of the next succeeding paragraph, to contract for agricultural and ground water replenishment use for a portion of the total amount of surplus water available in any year, in an amount which bears the same ratio to the total amount of surplus water available in that year as the sum of the annual entitlements, set forth in Table A of this contract, delivered to the contractor for agricultural and ground water replenishment use during the preceding three years bears to the total amount of such annual entitlements delivered for agricultural and ground water replenishment use during the preceding three years of all contractors requesting surplus water: Provided, That if its proportion of such surplus water is not required by or cannot be delivered to

any contractor, such amount of additional surplus water shall be offered to other contractors for agricultural and ground water replenishment use. During the first three years in which project water is delivered to a contractor, the State shall determine the amount of surplus water which the contractor may obtain based on the contractor's maximum annual entitlement and the estimated percentage of its annual entitlement to be delivered for agricultural and ground water replenishment use; but quantities so determined shall not exceed the contractor's annual entitlement for that year. For the purpose of computing the portion of the surplus water for agricultural and ground water replenishment use to which each contractor is entitled, the State shall determine the amounts of water used for agricultural and ground water replenishment use by each contractor in each year: Provided, That each contractor shall furnish certified copies of such records and data concerning the use of water within its boundaries as the State may request.

The provisions of this paragraph shall be applicable only to contractors in the San Joaquin Valley Service Area, contractors in the Southern California Service Area, and contractors in the Central Coastal Service Area. Before surplus water is sold for other than agricultural and ground water replenishment use, each such contractor shall have the right, subject to the ability of the State to deliver such water, to contract for agricultural and ground water replenishment use in accordance with the following formula: contractors in the San Joaquin Valley Service Area shall have a right to contract for sixty-nine percent (69%) of the surplus water available at the Mile 18 Pumping Plant; contractors

in the Southern California Service Area shall have a right to contract for twenty-nine percent (29%) of such water; and contractors in the Central Coastal Service Area shall have a right to contract for two percent (2%) of such water: Provided, That within each of these service areas, each contractor shall have the right to contract for agricultural and ground water replenishment use for a portion of the total amount of surplus water available to that service area in any year, in an amount which bears the same ratio to the total amount of surplus water available to the service area in that year as the sum of the annual entitlements, set forth in Table A of this contract, delivered to the contractor for agricultural and ground water replenishment use during the preceding three years bears to the total amount of such annual entitlements delivered for agricultural and ground water replenishment use during the preceding three years of all contractors in that service area requesting surplus water: Provided, further, That if its proportion of such surplus water is not required by or cannot be delivered to any contractor, such amount of additional surplus water shall be offered to other contractors for agricultural and ground water replenishment use. During the first three years in which project water is delivered to a contractor, the State shall determine the amount of surplus water which the contractor may obtain based on the contractor's maximum annual entitlement and the estimated percentage of its annual entitlement to be delivered for agricultural and ground water replenishment use; but quantities so determined shall not exceed the contractor's annual entitlement for that year. As used in this paragraph, "contractors in the San Joaquin Service Area" shall mean: Devil's Den Water District, Dudley Ridge Water District, Empire West Side

Irrigation District, Hacienda Water District, Kern County Water Agency, and Tulare Lake Basin Water Storage District; "contractors in the Southern California Service Area" shall mean: Antelope Valley-East Kern Water Agency, City of West Covina, Coachella Valley County Water District, Crestline-Lake Arrowhead Water Agency, Desert Water Agency, Littlerock Creek Irrigation District, Mojave Water Agency, Palmdale Irrigation District, San Bernardino Valley Municipal Water District, San Gabriel Valley Municipal Water District, San Gorgonio Pass Water Agency, The Metropolitan Water District of Southern California, Upper Santa Clara Valley Water Agency, and Ventura County Flood Control District; "contractors in the Central Coastal Service Area" shall mean: San Luis Obispo County Flood Control and Water Conservation District and Santa Barbara County Flood Control and Water Conservation District.

The provision of this paragraph shall be applicable only to a contractor to which the delivery of project water for municipal use as of 1990 is estimated by the State to be in excess of fifty percent (50%) of such contractor's maximum annual entitlement. For the purpose of fixing such contractor's right to delivery of surplus water, water from a watershed not tributary to the contractor's area which is delivered within the contractor's boundaries for agricultural or ground water replenishment use shall be deemed to be part of the contractor's annual entitlement delivered for such use in computing the quantity of surplus water

to which the contractor is entitled under this subdivision: Provided, That the contractor shall not be deemed to have used more than its annual entitlement, as set forth in Table A, for such use. Surplus water shall be deemed to be used by the contractor for agricultural or ground water replenishment use if an equal quantity of water imported from a watershed not tributary to the contractor's area is delivered within the contractor's boundaries for such use.

In providing for the delivery of surplus water to contractors pursuant to this subdivision, the State shall refuse to deliver such surplus water to any contractor to the extent that the State determines that such delivery would tend to encourage the development of an economy within the area served by such contractor which would be dependent upon the sustained delivery of water in excess of the contractor's maximum annual entitlement. In no event shall the quantity of surplus water made available in any year prior to 1986 to any contractor under this subdivision exceed the difference between its annual entitlement for that year and its maximum annual entitlement, except that, subject to provisions of the immediately preceding sentence, with respect to any contractor which under Table A of its contract is scheduled to receive its maximum annual entitlement prior to 1978, the quantity of surplus water made available in any year prior to 1986 under this subdivision may exceed such difference by not more than 3,000 acre-feet.

Surplus water for agricultural and ground water replenishment use shall be furnished at prices which will return to the

State the variable operation, maintenance, power, and replacement components of the Delta Water Charge and Transportation Charge incurred in such service of surplus water as determined by the State. Surplus water delivered under this subdivision shall be limited to the quantity of water which can be delivered without adversely affecting the reliability, or increasing the cost, of service to meet annual entitlements. A surcharge shall be added to the rate for surplus water furnished to excess land in an amount and under the conditions specified in Article 30 of this contract. Contracts made pursuant to this subdivision may exceed one year in duration.

Except as herein modified, the provisions of Article 21 of this contract are hereby confirmed, and all surplus water not specifically allocated pursuant to this subdivision shall be sold under the provisions of Article 21. Nothing in this subdivision shall limit the right of the Agency to increase its annual entitlements as otherwise provided in this contract.

As used in this subdivision "ground water replenishment use" shall mean the use of project water exclusively by direct application to spreading basins, streambeds, or through other means of direct artificial recharge for the purpose of replenishing overdrawn ground water basins.

(b) Surcharge Credit

Notwithstanding other provisions of this contract, the State may allow a credit to each contractor not to exceed the surcharge paid by such contractor.

For the purpose of this contract, the surcharge credit shall be determined and applied in the following manner:

(1) The State shall, in each year after the year of initial water delivery, allow a credit to the Agency in the amount of the surcharge forwarded by the Agency to the State in the preceding year.

(2) The Agency shall not establish water rates, or tax or assessment rates, so as to cause the surcharge credit to be passed on to water users in a manner which will bring about a greater reduction in the cost per acre-foot of project water put to use on excess land than such cost of project water put to use on other than excess land.

This subdivision 46(b) shall be separable from all other provisions in this contract, and in the event that any or all of the provisions of this subdivision are in any manner or to any extent held to be invalid by final judgment or decree of a court of competent jurisdiction, such holding and such invalidity shall in no way affect the validity of, or make invalid, any other provision of this contract.

IN WITNESS WHEREOF, the parties hereto have executed this contract on the date first above written.

Approved as to legal form and sufficiency:

P. G. Towner

Chief Counsel
Department of Water Resources

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

By _____
Director

Approved as to form and execution:

COACHELLA VALLEY COUNTY WATER DISTRICT

By Leon Kennedy

COUNTY OF BUTTE

Location and Size

The County of Butte has an area of 1,075,600 acres. Roughly the western one-third of this area is on the floor of the Sacramento Valley. The balance of the area is generally hilly or mountainous. The estimated population as of July 1, 1964 was 92,000.

Water Supply and Utilization

Butte County, unlike counties in the southern part of the state has extensive water resources. It has contracted with the State for a water supply to supplement the existing municipal and industrial supply presently available in the Oroville area. This course of action is considered more economical than developing the necessary county storage facilities which would be needed to assure the area of a firm supply to meet future needs.

Items of Contract Information Unique to Agency

Date of Contract - Preamble

December 26, 1963

Agency's Principal Place of Business - Preamble

Oroville

Estimated Year of Initial Water Delivery - Article 6(a)

1968

Date of Request as to Delivery Structures - Article 10(b)

January 1, 1966

Limit on Instantaneous Rate of Delivery - Article 12(c)

200 cfs

NOTES AND COMMENTS

E. SPECIAL PROVISIONS AND TABLES

45. SPECIAL PROVISIONS

(a) Notwithstanding other provisions of this contract, any project water delivered to the Agency shall be deemed not to be delivered from or through project transportation facilities, and the Agency will incur no liability for any Transportation Charge.

Tables B to I, inclusive, are not applicable to this contract and are omitted therefrom.

(b) Notwithstanding the provisions of Article 10(d), any delivery structure requested by the Agency may be located in any manner or place, including reasonable points within the project facilities upstream or downstream from power generation facilities at Oroville Dam, if in the opinion of the State such structure as so located will not interfere with or adversely affect any project facilities or the operation thereof, and may be designed, constructed, operated and maintained by the Agency, subject to prior written approval by the State of plans and specifications for any such structure: *Provided,* That the provisions of Article 10(d) shall apply to all delivery structures constructed by the State.

Loss of power revenues shall not be deemed to be an adverse affect within the meaning of this subdivision.

(c) Notwithstanding the provisions of Article 11, measuring devices and equipment to be installed in any delivery structure constructed by the Agency pursuant to subdivision (b) of this article shall be acquired and installed by the Agency, and maintained and operated by the State: *Provided,* That such measuring devices and equipment shall be satisfactory and acceptable to the State, and shall be installed under the supervision of the State: *Provided further,* That said devices and equipment shall be examined, tested and serviced regularly by the State to insure their accuracy, and that at any time or times the Agency or any other contractor may inspect such devices and equipment, and the measurements and records taken therefrom: *Provided further,* That the provisions of Article 11 shall apply to measuring devices and equipment installed in delivery structures constructed by the State.

(d) All water diverted by the Agency from the Feather River from and below Oroville Reservoir shall be deemed to have been diverted under the terms of this contract as project water in accordance with the Agency's water delivery schedule for that year: *Provided,* That the provisions of this subdivision shall not apply to water which is released from storage in facilities other than state project facilities.

(e) Notwithstanding the provisions of Article 13(a), neither the State nor any of its officers, agents, or employees shall be liable for the control, carriage, handling, use, disposal, or distribution of project water supplied to the Agency after such water has reached the delivery structures established in accordance with subdivision (b) of this article; nor for claims of damage of any nature whatsoever arising out of or connected with the control, carriage, handling, use, disposal, or distribution of such water after such water has reached such delivery structures; and the Agency shall indemnify and hold harmless the State and its officers, agents, and employees from any such damages or claims of damage.

(f) Notwithstanding the provisions of Article 13(b), neither the Agency nor any of its officers, agents, or employees shall be liable for the control, carriage, handling, use, disposal, or distribution of project water before such water has reached the delivery structures established in accordance with subdivision (b) of this article; nor for claims of damage of any nature whatsoever arising out of or connected with the control, carriage, handling, use, disposal, or distribution of such water before it has reached said delivery structures.

(g) Notwithstanding other provisions of this contract, nothing herein contained shall be construed as a waiver by the Agency of any rights it may have under the area of origin statutes, or as estopping or otherwise preventing the Agency or any person, firm, association, corporation, or public body or agency claiming by, through, or under the Agency from asserting by litigation or other lawful means the validity, constitutionality, construction, or application of any law of this State, including laws referred to in the Bond Act, or as preventing or prejudicing the right of any such entity to oppose the amendment or repeal of any such law.

(h) The State shall make no other contract to supply project water for use within the Agency's boundaries without the consent of the Agency.

(i) Notwithstanding other provisions of this contract, surplus water for agricultural and ground water replenishment use shall be offered to contractors on the following basis. Before surplus water is sold for other than agricultural and ground water replenishment use, each contractor shall have the right, subject to the ability of the State to deliver such water, to contract for agricultural and ground water replenishment use for a portion of the total amount of surplus water available in any year, in an amount which bears the same ratio to the total amount of surplus water available in that year as the sum of the annual entitlements delivered to the contractor for agricultural and ground water replenishment use during the preceding three years bears to the total amount of the annual entitlements delivered for agricultural and ground water replenishment use during the preceding three years of all contractors requesting surplus water: *Provided,* That if its proportion of such surplus water is not required by or cannot be delivered to any contractor, such amount of additional surplus water shall be offered to other contractors for agricultural and ground water replenishment use. During the first three years in which project water is delivered to a contractor, the State shall determine the amount of surplus water which the contractor may obtain based on the contractor's maximum annual entitlement and the estimated percentage of its annual entitlement to be delivered for agricultural and ground water replenishment use; but quantities so determined shall not exceed the contractor's annual entitlement for that year. For the purpose of computing the portion of the surplus water for agricultural and ground water replenishment use to which each contractor is entitled, the State shall determine the amounts of water used for agricultural and ground water replenishment use by each contractor in each year: *Provided,* That each contractor shall furnish certified copies of such records and data concerning the use of water within its boundaries as the State may request.

Surplus water for agricultural and ground water replenishment use shall be furnished at prices which will return to the State the variable operation, maintenance, power, and replacement components of the Delta Water Charge and Transportation Charge incurred in such service of surplus water as determined by the State. A surcharge shall be added to the rate for surplus water furnished to excess land in an amount and under the conditions specified in Article 30 of this contract. Contracts made pursuant to this subdivision may exceed one year in duration.

Except as herein modified, the provisions of Article 21 of this contract are hereby confirmed and all surplus water not specifically allocated pursuant to this subdivision shall be sold under the provisions of Article 21.

As used in this subdivision "ground water replenishment use" shall mean the use of project water exclusively by direct application to spreading basins, streambeds, or through other means of direct artificial recharge for the purpose of replenishing overdrawn ground water basins.

(j) Surcharge Credit

Notwithstanding other provisions of this contract, the State may include provisions in water supply contracts allowing a credit to a contractor not to exceed the surcharge to be paid by such contractor: *Provided,* That such credit shall be utilized to reduce the cost of water for agricultural use on other than excess land at a uniform rate per acre-foot not to exceed two dollars ($2) per acre-foot. Any contract including provisions pursuant to this subdivision shall assure that the reductions in the contractors' obligations authorized by this subdivision are made available exclusively for the benefit of agricultural use on land other than excess land and are not directly or indirectly made available for the benefit of agricultural use on excess land.

TABLE A

ANNUAL ENTITLEMENTS
COUNTY OF BUTTE

Year	Total Annual Amount in Acre-feet
1	300
2	350
3	400
4	450
5	500
6	600
7	700
8	1,050
9	1,400
10	1,800
11	2,200
12	2,600
13	4,000
14	5,450
15	6,900
16	8,350
17	9,800
18	12,250
19	14,700
20	17,150
21	20,600
22	24,050
23	27,500
and each succeeding year thereafter, for the term of this contract, as a Maximum Annual Entitlement	27,500 Acre-feet

IN WITNESS WHEREOF, the parties hereto have executed this contract on the date first above written:

Approved as to legal form and sufficiency:

For Helen T. Mass
Chief Counsel
Department of Water Resources
P. O. Box 388
Sacramento, California

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

By William E. Warne
Director

Attest:

Jessie Rogers
County Clerk
County of Butte
Butte County Courthouse
Oroville, California

COUNTY OF BUTTE

By Emil G. Steinegger
Chairman
Board of Supervisors

By Leslie J. Snyder
Supervisor

By Floyd Giles
Supervisor

By Jack Dalton
Supervisor

By W R Ullendorff
Supervisor

Approved as to form and execution:

George C. Kelly
County Counsel

STATE OF CALIFORNIA

DEPARTMENT OF WATER RESOURCES

AMENDMENT NO. 1 TO WATER SUPPLY
CONTRACT BETWEEN THE STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES AND
COUNTY OF BUTTE

THIS CONTRACT, made this 28th day of September, 1964, pursuant to the provisions of the California Water Resources Development Bond Act, the State Central Valley Project Act, and other applicable laws of the State of California, between the State of California, acting by and through its Department of Water Resources, herein referred to as the "State," and County of Butte, a public agency in the State of California, duly organized, existing, and acting pursuant to the laws thereof with its principal place of business in Oroville, California, herein referred to as the "Agency,"

WITNESSETH, That:

WHEREAS, the State is authorized to construct and operate facilities for the storage and conveyance of water, certain of which facilities will make water available to the Agency; and

WHEREAS, the State and the Agency have entered into a water supply contract, dated December 26, 1963, providing that the State shall supply certain quantities of water to the Agency, and providing that the Agency shall make certain payments to the State, and setting forth the terms and conditions of such supply and such payment; and

WHEREAS, the State and the Agency are desirous of making certain changes and additions to such contract, while otherwise continuing the contract in full force and effect;

NOW THEREFORE, it is mutually agreed that the following changes and additions are hereby made to the Agency's water supply contract with the State:

1. Subdivision (k) of Article 1 is amended to read as follows:

(k) Minimum Project Yield

"Minimum project yield" shall mean the dependable annual supply of project water to be made available, estimated to be 4,230,000 acre-feet per year, said amount to be determined by the State on the basis of coordinated operation studies of initial project conservation facilities and additional project conservation facilities, which studies shall be based upon:

(1) The estimated relative proportion of deliveries for agricultural use to deliveries for municipal use for the year 1990, and the characteristic distributions of demands for these two uses throughout the year.

(2) An allowable reduction in the agricultural use portion of the minimum project yield, due to drought, of not to exceed fifty percent (50%) in any one year, nor a total of one hundred percent (100%) of one year's supply in any series of seven consecutive years.

(3) Agreements now in effect or as hereafter amended or supplemented between the State and the United States and others regarding the diversion or utilization of waters of the Delta or streams tributary thereto.

2. Subdivision (a) of Article 16 is amended to read as follows:

(a) Limit on Total of all Maximum Annual Entitlements

The Agency's maximum annual entitlement hereunder, together with the maximum annual entitlements of all other contractors, shall aggregate no more than the minimum project yield as defined herein and in no event more than 4,230,000 acre-feet of project water.

3. Subdivision (i) of Article 45 is amended to read as follows:

(i) Notwithstanding other provisions of this contract, surplus water for agricultural and ground water replenishment use shall be offered to contractors on the following basis. Before surplus water is sold for other than agricultural and ground water replenishment use, each contractor shall have the right, subject to the ability of the State to deliver such water, to contract for agricultural and ground water replenishment use for a portion of the total amount of surplus water available in any year, in an amount which bears the same ratio to the total amount of surplus water available in that year as the sum of the annual entitlements, set forth in Table A of this contract, delivered to the contractor for agricultural and ground water replenishment use during the preceding three years bears to the total amount of such annual entitlements delivered for agricultural and ground water replenishment use during the preceding three years of all contractors requesting surplus water: Provided, That if its proportion of such surplus water is not required by or cannot be delivered to any contractor, such amount of additional surplus water shall be

offered to other contractors for agricultural and ground water replenishment use. During the first three years in which project water is delivered to a contractor, the State shall determine the amount of surplus water which the contractor may obtain based on the contractor's maximum annual entitlement and the estimated percentage of its annual entitlement to be delivered for agricultural and ground water replenishment use; but quantities so determined shall not exceed the contractor's annual entitlement for that year. For the purpose of computing the portion of the surplus water for agricultural and ground water replenishment use to which each contractor is entitled, the State shall determine the amounts of water used for agricultural and ground water replenishment use by each contractor in each year: Provided, That each contractor shall furnish certified copies of such records and data concerning the use of water within its boundaries as the State may request.

The provision of this paragraph shall be applicable only to a contractor to which the delivery of project water for municipal use as of 1990 is estimated by the State to be in excess of fifty percent (50%) of such contractor's maximum annual entitlement. For the purpose of fixing such contractor's right to delivery of surplus water, water from a watershed not tributary to the contractor's area which is delivered within the contractor's boundaries for agricultural or ground water replenishment use shall be deemed to be part of the contractor's annual entitlement delivered for such use in computing the quantity of surplus water to which the contractor is entitled under this subdivision:

Provided, That the contractor shall not be deemed to have used more than its annual entitlement, as set forth in Table A, for such use. Surplus water shall be deemed to be used by the contractor for agricultural or ground water replenishment use if an equal quantity of water imported from a watershed not tributary to the contractor's area is delivered within the contractor's boundaries for such use.

In providing for the delivery of surplus water to contractors pursuant to this subdivision, the State shall refuse to deliver such surplus water to any contractor to the extent that the State determines that such delivery would tend to encourage the development of an economy within the area served by such contractor which would be dependent upon the sustained delivery of water in excess of the contractor's maximum annual entitlement. In no event shall the quantity of surplus water made available in any year prior to 1986 to any contractor under this subdivision exceed the difference between its annual entitlement for that year and its maximum annual entitlement, except that, subject to provisions of the immediately preceding sentence, with respect to any contractor which under Table A of its contract is scheduled to receive its maximum annual entitlement prior to 1978, the quantity of surplus water made available in any year prior to 1986 under this subdivision may exceed such difference by not more than 3,000 acre-feet.

Surplus water for agricultural and ground water replenishment use shall be furnished at prices which will return to the State the variable operation, maintenance, power, and replacement

components of the Delta Water Charge and Transportation Charge incurred in such service of surplus water as determined by the State. Surplus water delivered under this subdivision shall be limited to the quantity of water which can be delivered without adversely affecting the reliability, or increasing the cost, of service to meet annual entitlements. A surcharge shall be added to the rate for surplus water furnished to excess land in an amount and under the conditions specified in Article 30 of this contract. Contracts made pursuant to this subdivision may exceed one year in duration.

Except as herein modified, the provisions of Article 21 of this contract are hereby confirmed, and all surplus water not specifically allocated pursuant to this subdivision shall be sold under the provisions of Article 21. Nothing in this subdivision shall limit the right of the Agency to increase its annual entitlements as otherwise provided in this contract.

As used in this subdivision "ground water replenishment use" shall mean the use of project water exclusively by direct application to spreading basins, streambeds, or through other means of direct artificial recharge for the purpose of replenishing overdrawn ground water basins.

4. Subdivision (j) of Article 45 is amended to read as follows:

(j) Surcharge Credit

Notwithstanding other provisions of this contract, the State may allow a credit to each contractor not to exceed the surcharge paid by such contractor.

For the purpose of this contract, the surcharge credit shall be determined and applied in the following manner:

(1) The State shall, in each year after the year of initial water delivery, allow a credit to the Agency in the amount of the surcharge forwarded by the Agency to the State in the preceding year.

(2) The Agency shall not establish water rates, or tax or assessment rates, so as to cause the surcharge credit to be passed on to water users in a manner which will bring about a greater reduction in the cost per acre-foot of project water put to use on excess land than such cost of project water put to use on other than excess land.

This subdivision 45(j) shall be separable from all other provisions in this contract, and in the event that any or all of the provisions of this subdivision are in any manner or to any extent held to be invalid by final judgment or decree of a court of competent jurisdiction, such holding and such invalidity shall in no way affect the validity of, or make invalid, any other provision of this contract.

IN WITNESS WHEREOF, the parties hereto have executed this contract on the date first above written.

Approved as to legal form and sufficiency:

Chief Counsel
Department of Water Resources

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

By _____
Director

APPROVED AS TO FORM

By _____
GEORGE P. KADING
Butte County Counsel

COUNTY OF BUTTE

By _____
JACK McKILLOP, Chairman
Butte County Board of Supervis

ATTEST:

JESSIE ROGERS, County Clerk
and ex-officio Clerk of the
Board of Supervisors

By _____
Deputy

CRESTLINE-LAKE ARROWHEAD WATER AGENCY

Location and Size

The Agency is located in the San Bernardino Mountains about ten miles north of the city of San Bernardino and lies predominantly in the Mojave River drainage area. As of July 1, 1964, the Agency had an area of about 45,800 acres and a population of 7,900.

Water Supply and Utilization

The major sources of surface water supplies are Lake Arrowhead and Lake Gregory, both of which are privately owned lakes. The only other local sources of surface supply are natural springs which are scattered throughout the mountain area. Ground water is a major source of supply, but the water-bearing formations are limited in storage capacity. Local water supplies are being almost fully utilized for domestic purposes.

Items of Contract Information Unique to Agency

Date of Contract - Preamble

June 22, 1963

Agency's Principal Place of Business - Preamble

Crestline

Estimated Year of Initial Water Delivery - Article 6(a)

1972

Date of Request as to Delivery Structures - Article 10(b)

July 31, 1963

Limit on Instantaneous Rate of Delivery - Article 12(c)

9 cfs (Increased by Amendment No. 2 to 11 cfs.)

NOTES AND COMMENTS

E. SPECIAL PROVISIONS AND TABLES

45. SPECIAL PROVISIONS

(a) On or before June 30, 1963, the Agency shall furnish to the State its written request specifying the year in which the first delivery of project water from the East Branch Aqueduct as defined in Table H of this contract shall be made to the Agency. The timing of first deliveries of project water from said Branch Aqueduct shall be as so requested by the Agency: *Provided*, That in the event said request is, in the judgment of the State, incompatible with similar requests received from other contractors to be served from or through said Branch Aqueduct, which contractors have executed contracts with the State on or before June 30, 1963, the timing of first deliveries of project water to the Agency and such other contractors from said Branch Aqueduct shall be as established by mutual agreement among the State, the Agency, and said contractors: *Provided further*, That if such agreement has not been reached on or before December 31, 1963, the State may then construct said Branch Aqueduct in accordance with such construction schedules as, in the judgment of the State, will best serve the interests of all those contractors whose service areas are located south of the South Portal of the Tehachapi Tunnels and which have executed contracts with the State on or before June 30, 1963.

(b) The State shall provide sufficient capacity in the transportation facilities to deliver 11 percent of the Agency's annual entitlement in each of four months in each year. Subject to the foregoing limitation, in scheduling deliveries under Article 12(a) the State will provide for up to 1/9 of the Agency's annual entitlement to be delivered in excess of a rate of 8-1/3 percent of the annual entitlement per month.

(c) The annexation to the Agency, authorized by Resolution No. 7 of the Board of Directors of the Agency dated May 27, 1963, is deemed to be approved by the department within the meaning of Article 15(b), and is generally described as the Lake Arrowhead Annexation.

TABLE A

ANNUAL ENTITLEMENTS
CRESTLINE–LAKE ARROWHEAD WATER AGENCY

Year	Total Annual Amount In Acre-Feet
1	500
2	750
3	1,000
4	1,250
5	1,500
6	1,750
7	2,000
8	2,250
9	2,500
10	2,750
11	3,000
12	3,250
13	3,500
14	3,750
15	4,000
16	4,250
17	4,500
18	4,750
19	5,000

and each succeeding year thereafter, for the term of this contract as a Maximum Annual Entitlement: 5,000 Acre-feet

TABLE H

PROJECT TRANSPORTATION FACILITIES
CRESTLINE–LAKE ARROWHEAD WATER AGENCY

A San Joaquin Valley–Southern California Aqueduct exteading to Cedar Springs Reservoir on the East Branch Aqueduct defined below, to the extent such aqueduct is determined by the State to be required for water transportation.

> ***"East Branch Aqueduct"*** shall mean that portion of the San Joaquin Valley–Southern California Aqueduct specified in Section 12934(d) (2) of the Water Code extending from the Junction of East and West Branches to a terminus in the vicinity of Perris, Riverside County.

TABLE I

AQUEDUCT REACHES
CRESTLINE–LAKE ARROWHEAD WATER AGENCY

Aqueduct Reach	Major Features of Reach
Delta to Discharge Delta Pumping Plant:	Intake Canal Fish Protective Facilities Delta Pumping Plant (Pumping Plant I)
Discharge Delta Pumping Plant to San Luis Forebay:	Aqueduct
San Luis Forebay:	San Luis Forebay and Forebay Dam
San Luis Forebay to Kettleman City:	Aqueduct Mile 18 Pumping Plant
Kettleman City to Avenal Gap:	Aqueduct
Avenal Gap to Buena Vista Pumping Plant:	Aqueduct
Buena Vista Pumping Plant to Wheeler Ridge Pumping Plants I and II:	Buena Vista Pumping Plant Aqueduct
Wheeler Ridge Pumping Plants I and II to Tehachapi Pumping Plant:	Wheeler Ridge Pumping Plant I Wheeler Ridge Pumping Plant II Aqueduct
Tehachapi Pumping Plant to South Portal Tehachapi Tunnels:	Tehachapi Pumping Plant (Pumping Plant VI) Tehachapi Tunnels
South Portal Tehachapi Tunnels to Junction, East and West Branches:	Cottonwood Power Plant Aqueduct
EAST BRANCH	
Junction, East and West Branches to Little Rock Creek:	Aqueduct
Littlerock Creek to Cedar Springs Reservoir:	Aqueduct Cedar Springs Reservoir

IN WITNESS WHEREOF, the parties hereto have executed this contract on the date first above written.

Approved as to legal form and sufficiency:

Chief Counsel
Department of Water Resources
P.O. Box 388
Sacramento, California

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

Director

Attest:

Secretary
Crestline–Lake Arrowhead Water Agency
P.O. Box 880
Crestline, California

CRESTLINE–LAKE ARROWHEAD WATER AGENCY

By
President

Approved as to form and execution:

By
Director

Counsel

By
Director

By
Director

By
Director

STATE OF CALIFORNIA

DEPARTMENT OF WATER RESOURCES

AMENDMENT NO. 1 TO WATER SUPPLY
CONTRACT BETWEEN THE STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES AND
CRESTLINE-LAKE ARROWHEAD WATER AGENCY

THIS CONTRACT, made this 15th day of November, 1963, pursuant to the provisions of the California Water Resources Development Bond Act, the State Central Valley Project Act, and other applicable laws of the State of California, between the State of California, acting by and through its Department of Water Resources, herein referred to as the "State," and Crestline-Lake Arrowhead Water Agency, a public agency in the State of California, duly organized, existing, and acting pursuant to the laws thereof with its principal place of business in Crestline, California, herein referred to as the "Agency,"

WITNESSETH, That:

WHEREAS, the State is authorized to construct and operate facilities for the storage and conveyance of water, certain of which facilities will make water available to the Agency; and

WHEREAS, the State and the Agency have entered into a water supply contract, dated June 22, 1963, providing that the State shall supply certain quantities of water to the Agency, and providing that the Agency shall make certain payments to the State, and setting forth the terms and conditions of such supply and such payment; and

WHEREAS, the State and the Agency are desirous of making certain changes and additions to the above-mentioned contract, while otherwise continuing the contract in full force and effect;

NOW THEREFORE, it is mutually agreed that the following changes and additions are hereby made to the Agency's water supply contract with the State:

Article 46 is added to the contract to read as follows:

46. Amendatory Provisions

a. Surplus Water

Notwithstanding other provisions of this contract, surplus water for agricultural and ground water replenishment use shall be offered to contractors on the following basis. Before surplus water is sold for other than agricultural and ground water replenishment use, each contractor shall have the right, subject to the ability of the State to deliver such water, to contract for agricultural and ground water replenishment use for a portion of the total amount of surplus water available in any year, in an amount which bears the same ratio to the total amount of surplus water available in that year as the sum of the annual entitlements delivered to the contractor for agricultural and ground water replenishment use during the preceding three years bears to the total amount of the annual entitlements delivered for agricultural and ground water replenishment use during the preceding three years of all contractors requesting surplus water: Provided, That if its proportion of such surplus water is not required by or cannot be delivered to any contractor, such amount of additional surplus water shall be offered to other contractors for agricultural and

ground water replenishment use. During the first three years in which project water is deliver to a contractor, the State shall determine the amount of surplus water which the contractor may obtain based on the contractor's maximum annual entitlement and the estimated percentage of its annual entitlement to be delivered for agricultural and ground water replenishment use; but quantities so determined shall not exceed the contractor's annual entitlement for that year. For the purpose of computing the portion of the surplus water for agricultural and ground water replenishment use to which each contractor is entitled, the State shall determine the amounts of water used for agricultural and ground water replenishment use by each contractor in each year: Provided, That each contractor shall furnish certified copies of such records and data concerning the use of water within its boundaries as the State may request.

Surplus water for agricultural and ground water replenishment use shall be furnished at prices which will return to the State the variable operation, maintenance, power, and replacement components of the Delta Water Charge and Transportation Charge incurred in such service of surplus water as determined by the Stat. A surcharge shall be added to the rate for surplus water furnished to excess land in an amount and under the conditions specified in Article 30 of this contract. Contracts made pursuant to this subdivision may exceed one year in duration.

Except as herein modified, the provisions of Article 21 of this contract are hereby confirmed, and all surplus water not specifically allocated pursuant to this subdivision shall be sold

under the provisions of Article 21.

As used in this subdivision "ground water replenishment use" shall mean the use of project water exclusively by direct application to spreading basins, streambeds, or through other means of direct artificial recharge for the purpose of replenishing overdrawn ground water basins.

b. Surcharge Credit

Notwithstanding other provisions of this contract, the State may include provisions in water supply contracts allowing a credit to a contractor not to exceed the surcharge to be paid by such contractor: Provided, That such credit shall be utilized to reduce the cost of water for agricultural use on other than excess land at a uniform rate per acre-foot not to exceed two dollars ($2) per acre-foot. Any contract including provisions pursuant to this subdivision shall assure that the reductions in the contractors' obligations authorized by this subdivision are made available exclusively for the benefit of agricultural use on land other than excess land and are not directly or indirectly made available for the benefit of agricultural use on excess land.

IN WITNESS WHEREOF, the parties hereto have executed this contract on the date first above written.

Approved as to legal form and sufficiency:

P. G. Tourné
Chief Counsel
Department of Water Resources

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

By William E. Warne
Director

Attest:

Herman Ulrich
Secretary
Crestline-Lake Arrowhead Water Agency
P. O. Box 880
Crestline, California

CRESTLINE-LAKE ARROWHEAD WATER AGENC

By Stanley Ziegler
President

Approved as to form and execution:

Robert D. Towne
Leonard B. Henry
Counsel

By Herman Ulrich
Secretary

STATE OF CALIFORNIA

DEPARTMENT OF WATER RESOURCES

AMENDMENT NO. 2 TO WATER SUPPLY
CONTRACT BETWEEN THE STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES AND
CRESTLINE-LAKE ARROWHEAD WATER AGENCY

THIS CONTRACT, made this 28th day of September, 1964, pursuant to the provisions of the California Water Resources Development Bond Act, the State Central Valley Project Act, and other applicable laws of the State of California, between the State of California, acting by and through its Department of Water Resources, herein referred to as the "State," and Crestline-Lake Arrowhead Water Agency, a public agency in the State of California, duly organized, existing, and acting pursuant to the laws thereof with its principal place of business in Crestline, California, herein referred to as the "Agency,"

WITNESSETH, That:

WHEREAS, the State is authorized to construct and operate facilities for the storage and conveyance of water, certain of which facilities will make water available to the Agency; and

WHEREAS, the State and the Agency have entered into a water supply contract, dated June 22, 1963, as amended November 15, 1963, providing that the State shall supply certain quantities of water to the Agency, and providing that the Agency shall make certain payments to the State, and setting forth the terms and conditions of such supply and such payment; and

WHEREAS, the maximum annual entitlements under all contracts executed by the State on or before December 31, 1963, did not aggregate the amount of the minimum project yield as defined in such water supply contract; and

WHEREAS, the Agency has elected to become entitled to a certain amount of the uncontracted for portion of the minimum project yield under the provisions of Article 8 of the above-mentioned contract and the State has determined that the Agency can put the water involved to beneficial use within a reasonable period of time; and

WHEREAS, the State and the Agency are desirous of making certain other changes and additions to such contract, while otherwise continuing the contract in full force and effect;

NOW THEREFORE, it is mutually agreed that the following changes and additions are hereby made to the Agency's water supply contract with the State:

1. Subdivision (k) of Article 1 is amended to read as follows:

(k) Minimum Project Yield

"Minimum project yield" shall mean the dependable annual supply of project water to be made available, estimated to be 4,230,000 acre-feet per year, said amount to be determined by the State on the basis of coordinated operation studies of initial project conservation facilities and additional project conservation facilities, which studies shall be based upon:

(1) The estimated relative proportion of deliveries for agricultural use to deliveries for municipal use for the year

1990, and the characteristic distributions of demands for these two uses throughout the year.

(2) An allowable reduction in the agricultural use portion of the minimum project yield, due to drought, of not to exceed fifty percent (50%) in any one year, nor a total of one hundred percent (100%) of one year's supply in any series of seven consecutive years.

(3) Agreements now in effect or as hereafter amended or supplemented between the State and the United States and others regarding the diversion or utilization of waters of the Delta or streams tributary thereto.

2. Table A of the contract entitled "Annual Entitlements Crestline-Lake Arrowhead Water Agency" is amended to read as follows:

TABLE A

ANNUAL ENTITLEMENTS
CRESTLINE-LAKE ARROWHEAD WATER AGENCY

Year	Total Annual Amount in Acre-feet
1	580
2	870
3	1,160
4	1,450
5	1,740
6	2,030
7	2,320
8	2,610
9	2,900
10	3,190
11	3,480
12	3,770
13	4,060
14	4,350
15	4,640
16	4,930
17	5,220
18	5,510
19	5,800
And each succeeding year thereafter, for the term of this contract:	5,800

3. Subdivision (c) of Article 12 is amended to read as follows:

(c) Limit on Rate of Delivery to Agency

In no event shall the State be obligated to deliver water to the Agency through all delivery structures at a total combined instantaneous rate of flow exceeding eleven (11) cubic feet per second, except as this rate of flow may be revised by amendment of this article after submission to the State of the Agency's requests with respect to maximum flow capacities to be provided in said delivery structures, pursuant to Article 10.

4. Subdivision (a) of Article 16 is amended to read as as follows:

(a) Limit on Total of All Maximum Annual Entitlements

The Agency's maximum annual entitlement hereunder, together with the maximum annual entitlements of all other contractors, shall aggregate no more than the minimum project yield as defined herein and in no event more than 4,230,000 acre-feet of project water.

5. Article 46 is amended to read as follows:

46. Amendatory Provisions

(a) Surplus Water

Notwithstanding other provisions of this contract, surplus water for agricultural and ground water replenishment use shall be offered to contractors on the following basis. Before surplus water is sold for other than agricultural and ground water replenishment use, each contractor shall have the right, subject to the ability of the State to deliver such water and to the provisions of the next succeeding paragraph, to contract for agricultural and ground water replenishment use for a portion of the total amount of surplus water available in any year, in an amount which bears the same ratio to the total amount of surplus water available in that year as the sum of the annual entitlements, set forth in Table A of this contract, delivered to the contractor for agricultural and ground water replenishment use during the preceding three years bears to the total amount of such annual entitlements delivered for agricultural and ground water replenishment use during the preceding three years of all contractors requesting surplus water: Provided, That if its proportion of such surplus water is not required by or cannot be delivered to

any contractor, such amount of additional surplus water shall be offered to other contractors for agricultural and ground water replenishment use. During the first three years in which project water is delivered to a contractor, the State shall determine the amount of surplus water which the contractor may obtain based on the contractor's maximum annual entitlement and the estimated percentage of its annual entitlement to be delivered for agricultural and ground water replenishment use; but quanitites so determined shall not exceed the contractor's annual entitlement for that year. For the purpose of computing the portion of the surplus water for agricultural and ground water replenishment use to which each contractor is entitled, the State shall determine the amounts of water used for agricultural and ground water replenishment use by each contractor in each year: Provided, That each contractor shall furnish certified copies of such records and data concerning the use of water within its boundaries as the State may request.

The provisions of this paragraph shall be applicable only to contractors in the San Joaquin Valley Service Area, contractors in the Southern California Service Area, and contractors in the Central Coastal Service Area. Before surplus water is sold for other than agricultural and ground water replenishment use, each such contractor shall have the right, subject to the ability of the State to deliver such water, to contract for agricultural and ground water replenishment use in accordance with the following formula: contractors in the San Joaquin Valley Service Area shall have a right to contract for sixty-nine percent (69%) of the surplus water available at the Mile 18 Pumping Plant;

contractors in the Southern California Service Area shall have a right to contract for twenty-nine percent (29%) of such water; and contractors in the Central Coastal Service Area shall have a right to contract for two percent (2%) of such water: Provided, That within each of these service areas, each contractor shall have the right to contract for agricultural and ground water replenishment use for a portion of the total amount of surplus water available to that service area in any year, in an amount which bears the same ratio to the total amount of surplus water available to the service area in that year as the sum of the annual entitlements, set forth in Table A of this contract, delivered to the contractor for agricultural and ground water replenishment use during the preceding three years bears to the total amount of such annual entitlements delivered for agricultural and ground water replenishment use during the preceding three years of all contractors in that service area requesting surplus water: Provided, further, That if its proportion of such surplus water is not required by or cannot be delivered to any contractor, such amount of additional surplus water shall be offered to other contractors for agricultural and ground water replenishment use. During the first three years in which project water is delivered to a contractor, the State shall determine the amount of surplus water which the contractor may obtain based on the contractor's maximum annual entitlement and the estimated percentage of its annual entitlement to be delivered for agricultural and ground water replenishment use; but quantities so determined shall not exceed the contractor's annual entitlement for that year. As used in this paragraph, "contractors in the

San Joaquin Service Area" shall mean: Devil's Den Water District, Dudley Ridge Water District, Empire West Side Irrigation District, Hacienda Water District, Kern County Water Agency, and Tulare Lake Basin Water Storage District; "contractors in the Southern California Service Area" shall mean: Antelope Valley-East Kern Water Agency, City of West Covina, Coachella Valley County Water District, Crestline-Lake Arrowhead Water Agency, Desert Water Agency, Littlerock Creek Irrigation District, Mojave Water Agency, Palmdale Irrigation District, San Bernardino Valley Municipal Water District, San Gabriel Valley Municipal Water District, San Gorgonio Pass Water Agency, The Metropolitan Water District of Southern California, Upper Santa Clara Valley Water Agency, and Ventura County Flood Control District; "contractors in the Central Coastal Service Area" shall mean: San Luis Obispo County Flood Control and Water Conservation District and Santa Barbara County Flood Control and Water Conservation District.

The provision of this paragraph shall be applicable only to a contractor to which the delivery of project water for municipa use as of 1990 is estimated by the State to be in excess of fity percent (50%) of such contractor's maximum annual entitlement. For the purpose of fixing such contractor's right to delivery of surplus water, water from a watershed not tributary to the contractor's area which is delivered within the contractor's boundaries for agricultural or ground water replenishment use shall be deemed to be part of the contractor's annual entitlement delivered for such use in computing the quantity of surplus water

to which the contractor is entitled under this subdivision: Provided, That the contractor shall not be deemed to have used more than its annual entitlement, as set forth in Table A, for such use. Surplus water shall be deemed to be used by the contractor for agricultural or ground water replenishment use if an equal quantity of water imported from a watershed not tributary to the contractor's area is delivered within the contractor's boundaries for such use.

In providing for the delivery of surplus water to contractors pursuant to this subdivision, the State shall refuse to delivery such surplus water to any contractor to the extent that the State determines that such delivery would tend to encourage the development of an economy within the area served by such contractor which would be dependent upon the sustained delivery of water in excess of the contractor's maximum annual entitlement. In no event shall the quantity of surplus water made available in any year prior to 1986 to any contractor under this subdivision exceed the difference between its annual entitlement for that year and its maximum annual entitlement, except that, subject to provisions of the immediately preceding sentence, with respect to any contractor which under Table A of its contract is scheduled to receive its maximum annual entitlement prior to 1978, the quantity of surplus water made available in any year prior to 1986 under this subdivision may exceed such difference by not more than 3,000 acre-feet.

Surplus water for agricultural and ground water replenishment use shall be furnished at prices which will return to the

State the variable operation, maintenance, power, and replacement components of the Delta Water Charge and Transportation Charge incurred in such service of surplus water as determined by the State. Surplus water delivered under this subdivision shall be limited to the quantity of water which can be delivered without adversely affecting the reliability, or increasing the cost, of service to meet annual entitlements. A surcharge shall be added to the rate for surplus water furnished to excess land in an amount and under the conditions specified in Article 30 of this contract. Contracts made pursuant to this subdivision may exceed one year in duration.

Except as herein modified, the provisions of Article 21 of this contract are hereby confirmed, and all surplus water not specifically allocated pursuant to this subdivision shall be sold under the provisions of Article 21. Nothing in this subdivision shall limit the right of the Agency to increase its annual entitlements as otherwise provided in this contract.

As used in this subdivision "ground water replenishment use" shall mean the use of project water exclusively by direct application to spreading basins, streambeds, or through other means of direct artificial recharge for the purpose of replenishing overdrawn ground water basins.

(b) Surcharge Credit

Notwithstanding other provisions of this contract, the State may allow a credit to each contractor not to exceed the surcharge paid by such contractor.

For the purpose of this contract, the surcharge credit shall be determined and applied in the following manner:

(1) The State shall, in each year after the year of initial water delivery, allow a credit to the Agency in the amount of the surcharge forwarded by the Agency to the State in the preceding year.

(2) The Agency shall not establish water rates, or tax or assessment rates, so as to cause the surcharge credit to be passed on to water users in a manner which will bring about a greater reduction in the cost per acre-foot of project water put to use on excess land than such cost of project water put to use on other than excess land.

This subdivision 46(b) shall be separable from all other provisions in this contract, and in the event that any or all of the provisions of this subdivision are in any manner or to any extent held to be invalid by final judgment or decree of a court of competent jurisdication, such holding and such invalidity shall in no way affect the validity of, or make invalid, any other provision of this contract.

IN WITNESS WHEREOF, the parties hereto have executed this contract on the date first above written.

Approved as to legal form and sufficiency:

Chief Counsel
Department of Water Resources

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

By _____
Director

Approved as to form and execution:

CRESTLINE-LAKE ARROWHEAD WATER AGENCY

By _____
Stan Ziegler
President

Herman Deich
Manager-Secretary

DESERT WATER AGENCY

Location and Size

The Desert Water Agency is located in the northern portion of the Coachella Valley in Riverside County. The Agency, as of July 1, 1964, had an area of 163,000 acres and an estimated population of 22,000.

Water Supply and Utilization

All water utilized in the Agency is pumped from the underlying ground water basin. A supplemental water supply is needed to alleviate the existing serious ground water overdraft in the area. Water is used almost exclusively for industrial and municipal purposes in the Agency and future use is expected to continue to be for these purposes. Water obtained from the State Water Project will be utilized to reduce the ground water overdraft and to provide for the estimated future increases in water requirements.

Items of Contract Information Unique to Agency

Date of Contract - Preamble

October 17, 1962

Agency's Principal Place of Business - Preamble

Palm Springs

Estimated Year of Initial Water Delivery - Article 6(a)

1972

Date of Request as to Delivery Structures - Article 10(b)

June 30, 1963

Limit on Instantaneous Rate of Delivery - Article 12(c)

60 cfs (Increased by Amendment No. 2 to 69 cfs.)

NOTES AND COMMENTS

E. SPECIAL PROVISIONS AND TABLES

45. SPECIAL PROVISIONS

(a) On or before June 30, 1963, the Agency shall furnish to the State its written request specifying the year in which the first delivery of project water from the East Branch Aqueduct as defined in Table H of this contract shall be made to the Agency. The timing of first deliveries of project water from said Branch Aqueduct shall be as so requested by the Agency: *Provided*, That in the event said request is, in the judgment of the State, incompatible with similar requests received from other contractors to be served from or through said Branch Aqueduct, which contractors have executed contracts with the State on or before June 30, 1963, the timing of first deliveries of project water to the Agency and such other contractors from said Branch Aqueduct shall be as established by mutual agreement among the State, the Agency, and said contractors: *Provided further*, That if such agreement has not been reached on or before December 31, 1963, the State may then construct said Branch Aqueduct in accordance with such construction schedules as, in the judgment of the State, will best serve the interests of all those contractors whose service areas are located south of the South Portal of the Tehachapi Tunnels and which have executed contracts with the State on or before June 30, 1963.

(b) The State shall provide sufficient capacity in the transportation facilities, subject to the provisions of Article 17(b), to deliver 11 percent of the Agency's annual entitlement in each of four months in each year. Subject to the foregoing limitation, in scheduling deliveries under Article 12(a) the State will provide for up to 1/9 of the Agency's annual entitlement to be delivered in excess of a rate of 8-1/3 percent of the annual entitlement per month.

(c) The annexation to the Agency of the territory included within the boundaries of the North Palm Springs County Water District as existing as of the date of execution of this contract is deemed to be approved by the department within the meaning of Article 15(b).

(d) Payments which under Article 29 are due in 1963, with interest at the project interest rate compounded annually, shall be made in two equal installments, concurrently with the comparable payments due under this contract in 1964.

TABLE A

ANNUAL ENTITLEMENTS
DESERT WATER AGENCY

Year	Total annual amount In acre-feet
1	8,000
2	9,000
3	10,000
4	11,000
5	12,000
6	13,000
7	14,000
8	15,000
9	16,000
10	17,500
11	19,000
12	20,500
13	22,000
14	23,500
15	25,000
16	27,000
17	29,000
18	31,000
19	33,000
and each succeeding year thereafter, for the term of this contract as a Maximum Annual Entitlement:	33,000

TABLE H

PROJECT TRANSPORTATION FACILITIES
DESERT WATER AGENCY

A San Joaquin Valley–Southern California Aqueduct extending to Cedar Springs Reservoir on the East Branch Aqueduct defined below, to the extent such aqueduct is determined by the State to be required for water transportation.

> **"East Branch Aqueduct"** shall mean that portion of the San Joaquin Valley–Southern California Aqueduct specified in Section 12934(d) (2) of the Water Code extending from the Junction of East and West Branches to a terminus in the vicinity of Perris, Riverside County.

TABLE I

AQUEDUCT REACHES
DESERT WATER AGENCY

Aqueduct Reach	Major Features of Reach
Delta to Discharge Delta Pumping Plant:	Intake Canal Fish Protective Facilities Delta Pumping Plant (Pumping Plant I)
Discharge Delta Pumping Plant to San Luis Forebay:	Aqueduct
San Luis Forebay:	San Luis Forebay and Forebay Dam
San Luis Forebay to Kettleman City:	Aqueduct Mile 18 Pumping Plant
Kettleman City to Avenal Gap:	Aqueduct
Avenal Gap to Buena Vista Pumping Plant:	Aqueduct
Buena Vista Pumping Plant to Wheeler Ridge Pumping Plants I and II:	Buena Vista Pumping Plant Aqueduct
Wheeler Ridge Pumping Plants I and II to Tehachapi Pumping Plant:	Wheeler Ridge Pumping Plant I Wheeler Ridge Pumping Plant II Aqueduct
Tehachapi Pumping Plant to South Portal Tehachapi Tunnels:	Tehachapi Pumping Plant (Pumping Plant VI) Tehachapi Tunnels
South Portal Tehachapi Tunnels to Junction, East and West Branches:	Cottonwood Power Plant Aqueduct
EAST BRANCH	
Junction, East and West Branches to Little Rock Creek:	Aqueduct
Little Rock Creek to West Fork Mojave River:	Pearblossom Pumping Plant Aqueduct
West Fork Mojave River to Cedar Springs Reservoir:	Aqueduct Cedar Springs Dam Cedar Springs Reservoir

IN WITNESS WHEREOF, the parties hereto have executed this contract on the date first above written.

Approved as to legal form and sufficiency:

P. G. Towner

Chief Counsel
Department of Water Resources
P. O. Box 388
Sacramento, California

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

By William E. Warne
Director

Attest:

Edgar L. McCartney

Secretary
Desert Water Agency
190 West Amado Road
Palm Springs, California

DESERT WATER AGENCY

By Herbert Samson
President

Approved as to form:

BEST BEST & KRIEGER

By James H. Krieger

By George A. Ripley
Director

By Fremont D. Crosby
Director

By John J. Sharp
Director

STATE OF CALIFORNIA

DEPARTMENT OF WATER RESOURCES

AMENDMENT NO. 1 TO WATER SUPPLY
CONTRACT BETWEEN THE STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES AND
DESERT WATER AGENCY

THIS CONTRACT, made this 8th day of October, 1963, pursuant to the provisions of the California Water Resources Development Bond Act, the State Central Valley Project Act, and other applicable laws of the State of California, between the State of California, acting by and through its Department of Water Resources, herein referred to as the "State," and Desert Water Agency a public agency in the State of California, duly organized, existing, and acting pursuant to the laws thereof with its principal place of business in Palm Springs, California, herein referred to as the "Agency,"

WITNESSETH, That:

WHEREAS, the State is authorized to construct and operate facilities for the storage and conveyance of water, certain of which facilities will make water available to the Agency; and

WHEREAS, the State and the Agency have entered into a water supply contract, dated October 17, 1962, providing that the State shall supply certain quantities of water to the Agency, and providing that the Agency shall make certain payments to the State, and setting forth the terms and conditions of such supply and such payment; and

WHEREAS, the State and the Agency are desirous of making certain changes and additions to the above-mentioned contract, while otherwise continuing the contract in full force and effect;

NOW THEREFORE, it is mutually agreed that the following changes and additions are hereby made to the Agency's water supply contract with the State:

Article 46 is added to the contract to read as follows:

46. Amendatory Provisions

a. Surplus Water

Notwithstanding other provisions of this contract, surplus water for agricultural and ground water replenishment use shall be offered to contractors on the following basis. Before surplus water is sold for other than agricultural and ground water replenishment use, each contractor shall have the right, subject to the ability of the State to deliver such water, to contract for agricultural and ground water replenishment use for a portion of the total amount of surplus water available in any year, in an amount which bears the same ratio to the total amount of surplus water available in that year as the sum of the annual entitlements delivered to the contractor for agricultural and ground water replenishment use during the preceding three years bears to the total amount of the annual entitlements delivered for agricultural and ground water replenishment use during the preceding three years of all contractors requesting surplus water: Provided, That if its proportion of such surplus water is not required by or cannot be delivered to any contractor, such amount of additional surplus water shall be offered to other contractors for agricultural and

ground water replenishment use. During the first three years in which project water is deliver to a contractor, the State shall determine the amount of surplus water which the contractor may obtain based on the contractor's maximum annual entitlement and the estimated percentage of its annual entitlement to be delivered for agricultural and ground water replenishment use; but quantities so determined shall not exceed the contractor's annual entitlement for that year. For the purpose of computing the portion of the surplus water for agricultural and ground water replenishment use to which each contractor is entitled, the State shall determine the amounts of water used for agricultural and ground water replenishment use by each contractor in each year: Provided, That each contractor shall furnish certified copies of such records and data concerning the use of water within its boundaries as the State may request.

Surplus water for agricultural and ground water replenishment use shall be furnished at prices which will return to the State the variable operation, maintenance, power, and replacement components of the Delta Water Charge and Transportation Charge incurred in such service of surplus water as determined by the State. A surcharge shall be added to the rate for surplus water furnished to excess land in an amount and under the conditions specified in Article 30 of this contract. Contracts made pursuant to this subdivision may exceed one year in duration.

Except as herein modified, the provisions of Article 21 of this contract are hereby confirmed, and all surplus water not specifically allocated pursuant to this subdivision shall be sold

under the provisions of Article 21.

As used in this subdivision "ground water replenishment use" shall mean the use of project water exclusively by direct application to spreading basins, streambeds, or through other means of direct artificial recharge for the purpose of replenishing overdrawn ground water basins.

b. Surcharge Credit

Notwithstanding other provisions of this contract, the State may include provisions in water supply contracts allowing a credit to a contractor not to exceed the surcharge to be paid by such contractor: Provided, That such credit shall be utilized to reduce the cost of water for agricultural use on other than excess land at a uniform rate per acre-foot not to exceed two dollars ($2) per acre-foot. Any contract including provisions pursuant to this subdivision shall assure that the reductions in the contractors' obligations authorized by this subdivision are made available exclusively for the benefit of agricultural use on land other than excess land and are not directly or indirectly made available for the benefit of agricultural use on excess land.

IN WITNESS WHEREOF, the parties hereto have executed this contract on the date first above written.

Approved as to legal form and sufficiency:

Chief Counsel
Department of Water Resources

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

By _____
Director

DESERT WATER AGENCY

By _____
President

Attest:

Secretary
Desert Water Agency
190 West Amado Road
Palm Springs, California

By _____

By _____

Approved as to form:

BEST BEST & KRIEGER

By _____

STATE OF CALIFORNIA

DEPARTMENT OF WATER RESOURCES

AMENDMENT NO. 2 TO WATER SUPPLY
CONTRACT BETWEEN THE STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES AND
DESERT WATER AGENCY

THIS CONTRACT, made this 2nd day of October 1964, pursuant to the provisions of the California Water Resources Development Bond Act, the State Central Valley Project Act, and other applicable laws of the State of California, between the State of California, acting by and through its Department of Water Resources, herein referred to as the "State," and Desert Water Agency, a public agency in the State of California, duly organized, existing, and acting pursuant to the laws thereof with its principal place of business in Palm Springs, California, herein referred to as the "Agency,"

WITNESSETH, That:

WHEREAS, the State is authorized to construct and operate facilities for the storage and conveyance of water, certain of which facilities will make water available to the Agency; and

WHEREAS, the State and the Agency have entered into a water supply contract, dated October 17, 1962, as amended October 8, 1963, providing that the State shall supply certain quantities of water to the Agency, and providing that the Agency shall make certain payments to the State, and setting forth the terms and conditions of such supply and such payment; and

WHEREAS, the maximum annual entitlements under all contracts executed by the State on or before December 31, 1963, did not aggregate the amount of the minimum project yield as defined in such water supply contract; and

WHEREAS, the Agency has elected to become entitled to a certain amount of the uncontracted for portion of the minimum project yield under the provisions of Article 8 of the above-mentioned contract and the State has determined that the Agency can put the water involved to beneficial use within a reasonable period of time; and

WHEREAS, the State and the Agency are desirous of making certain other changes and additions to such contract, while otherwise continuing the contract in full force and effect;

NOW THEREFORE, it is mutually agreed that the following changes and additions are hereby made to the Agency's water supply contract with the State:

1. Subdivision (k) of Article 1 is amended to read as follows:

(k) Minimum Project Yield

"Minimum project yield" shall mean the dependable annual supply of project water to be made available, estimated to be 4,230,000 acre-feet per year, said amount to be determined by the State on the basis of coordinated operation studies of initial project conservation facilities and additional project conservation facilities, which studies shall be based upon:

(1) The estimated relative proportion of deliveries for agricultural use to deliveries for municipal use for the year

1990, and the characteristic distributions of demands for these two uses throughout the year.

(2) An allowable reduction in the agricultural use portion of the minimum project yield, due to drought, of not to exceed fifty percent (50%) in any one year, nor a total of one hundred percent (100%) of one year's supply in any series of seven consecutive years.

(3) Agreements now in effect or as hereafter amended or supplemented between the State and the United States and others regarding the diversion of utilization of waters of the Delta or streams tributary thereto.

2. Table A of the contract entitled "Annual Entitlements Desert Water Agency" is amended to read as follows:

TABLE A

ANNUAL ENTITLEMENTS
DESERT WATER AGENCY

Year	Total Annual Amount in Acre-feet
1	8,000
2	9,000
3	10,000
4	11,000
5	12,000
6	13,000
7	14,000
8	15,000
9	17,000
10	19,000
11	21,000
12	23,000
13	25,000
14	27,000
15	29,000
16	31,500
17	34,000
18	36,500
19	38,100
And each succeeding year thereafter, for the term of this contract:	38,100

3. Subdivision (c) of Article 12 is amended to read as follows:

(c) Limit on Rate of Delivery to Agency

In no event shall the State be obligated to deliver water to the Agency through all delivery structures at a total combined instantaneous rate of flow exceeding sixty nine (69) cubic feet per second, except as this rate of flow may be revised by amendment of this article after submission to the State of the Agency's requests with respect to maximum flow capacities to be provided in said delivery structures, pursuant to Article 10.

4. Subdivision (a) of Article 16 is amended to read as follows:

(a) Limit on Total of All Maximum Annual Entitlements

The Agency's maximum annual entitlement hereunder, together with the maximum annual entitlements of all other contractors, shall aggregate no more than the minimum project yield as defined herein and in no event more than 4,230,000 acre-feet of project water.

5. Article 46 is amended to read as follows:

46. Amendatory Provisions

(a) Surplus Water

Notwithstanding other provisions of this contract, surplus water for agricultural and ground water replenishment use shall be offered to contractors on the following basis. Before surplus water is sold for other than agricultural and ground water replenishment use, each contractor shall have the right, subject to the ability of the State to deliver such water and to the provisions of the next succeeding paragraph, to contract for agricultural and ground water replenishment use for a portion of the total amount of surplus water available in any year, in an amount which bears the same ratio to the total amount of surplus water available in that year as the sum of the annual entitlements, set forth in Table A of this contract, delivered to the contractor for agricultural and ground water replenishment use during the preceding three years bears to the total amount of such annual entitlements delivered for agricultural and ground water replenishment use during the preceding three years of all contractors requesting surplus water: Provided, That if its proportion of such surplus water is not required by or cannot be delivered to

any contractor, such amount of additional surplus water shall be offered to other contractors for agricultural and ground water replenishment use. During the first three years in which project water is delivered to a contractor, the State shall determine the amount of surplus water which the contractor may obtain based on the contractor's maximum annual entitlement and the estimated percentage of its annual entitlement to be delivered for agricultural and ground water replenishment use; but quanitites so determined shall not exceed the contractor's annual entitlement for that year. For the purpose of computing the portion of the surplus water for agricultural and ground water replenishment use to which each contractor is entitled, the State shall determine the amounts of water used for agricultural and ground water replenishment use by each contractor in each year: Provided, That each contractor shall furnish certified copies of such records and data concerning the use of water within its boundaries as the State may request.

The provisions of this paragraph shall be applicable only to contractors in the San Joaquin Valley Service Area, contractors in the Southern California Service Area, and contractors in the Central Coastal Service Area. Before surplus water is sold for other than agricultural and ground water replenishment use, each such contractor shall have the right, subject to the ability of the State to deliver such water, to contract for agricultural and ground water replenishment use in accordance with the following formula: contractors in the San Joaquin Valley Service Area shall have a right to contract for sixty-nine percent (69%) of the surplus water available at the Mile 18 Pumping Plant:

contractors in the Southern California Service Area shall have a right to contract for twenty-nine percent (29%) of such water; and contractors in the Central Coastal Service Area shall have a right to contract for two percent (2%) of such water: Provided, That within each of these service areas, each contractor shall have the right to contract for agricultural and ground water replenishment use for a portion of the total amount of surplus water available to that service area in any year, in an amount which bears the same ratio to the total amount of surplus water available to the service area in that year as the sum of the annual entitlements, set forth in Table A of this contract, delivered to the contractor for agricultural and ground water replenishment use during the preceding three years bears to the total amount of such annual entitlements delivered for agricultural and ground water replenishment use during the preceding three years of all contractors in that service area requesting surplus water: Provided further, That if its proportion of such surplus water is not required by or cannot be delivered to any contractor, such amount of additional surplus water shall be offered to other contractors for agricultural and ground water replenishment use. During the first three years in which project water is delivered to a contractor, the State shall determine the amount of surplus water which the contractor may obtain based on the contractor's maximum annual entitlement and the estimated percentage of its annual entitlement to be delivered for agricultural and ground water replenishment use; but quantities so determined shall not exceed the contractor's annual entitlement for that year. As used in this paragraph, "contractors in the

San Joaquin Service Area" shall mean: Devil's Den Water District, Dudley Ridge Water District, Empire West Side Irrigation District, Hacienda Water District, Kern County Water Agency, and Tulare Lake Basin Water Storage District; "contractors in the Southern California Service Area" shall mean: Antelope Valley-East Kern Water Agency, City of West Covina, Coachella Valley County Water District, Crestline-Lake Arrowhead Water Agency, Desert Water Agency, Littlerock Creek Irrigation District, Mojave Water Agency, Palmdale Irrigation District, San Bernardino Valley Municipal Water District, San Gabriel Valley Municipal Water District, San Gorgonio Pass Water Agency, The Metropolitan Water District of Southern California, Upper Santa Clara Valley Water Agency, and Ventura County Flood Control District; "contractors in the Central Coastal Service Area" shall mean: San Luis Obispo County Flood Control and Water Conservation District and Santa Barbara County Flood Control and Water Conservation District.

The provision of this paragraph shall be applicable only to a contractor to which the delivery of project water for municipal use as of 1990 is estimated by the State to be in excess of fifty percent (50%) of such contractor's maximum annual entitlement. For the purpose of fixing such contractor's right to delivery of surplus water, water from a watershed not tributary to the contractor's area which is delivered within the contractor's boundaries for agricultural or ground water replenishment use shall be deemed to be part of the contractor's annual entitlement delivered for such use in computing the quantity of surplus water

to which the contractor is entitled under this subdivision: Provided, That the contractor shall not be deemed to have used more than its annual entitlement, as set forth in Table A, for such use. Surplus water shall be deemed to be used by the contractor for agricultural or ground water replenishment use if an equal quantity of water imported from a watershed not tributary to the contractor's area is delivered within the contractor's boundaries for such use.

In providing for the delivery of surplus water to contractors pursuant to this subdivision, the State shall refuse to deliver such surplus water to any contractor to the extent that the State determines that such delivery would tend to encourage the development of an economy within the area served by such contractor which would be dependent upon the sustained delivery of water in excess of the contractor's maximum annual entitlement. In no event shall the quantity of surplus water made available in any year prior to 1986 to any contractor under this subdivision exceed the difference between its annual entitlement for that year and its maximum annual entitlement, except that, subject to provisions of the immediately preceding sentence, with respect to any contractor which under Table A of its contract is scheduled to receive its maximum annual entitlement prior to 1978, the quantity of surplus water made available in any year prior to 1986 under this subdivision may exceed such difference by not more than 3,000 acre-feet.

Surplus water for agricultural and ground water replenishment use shall be furnished at prices which will return to the

State the variable operation, maintenance, power, and replacement components of the Delta Water Charge and Transportation Charge incurred in such service of surplus water as determined by the State. Surplus water delivered under this subdivision shall be limited to the quantity of water which can be delivered without adversely affecting the reliability, or increasing the cost, of service to meet annual entitlements. A surcharge shall be added to the rate for surplus water furnished to excess land in an amount and under the conditions specified in Article 30 of this contract. Contracts made pursuant to this subdivision may exceed one year in duration.

Except as herein modified, the provisions of Article 21 of this contract are hereby confirmed, and all surplus water not specifically allocated pursuant to this subdivision shall be sold under the provisions of Article 21. Nothing in this subdivision shall limit the right of the Agency to increase its annual entitlements as otherwise provided in this contract.

As used in this subdivision "ground water replenishment use" shall mean the use of project water exclusively by direct application to spreading basins, streambeds, or through other means of direct artificial recharge for the purpose of replenishing overdrawn ground water basins.

(b) Surcharge Credit

Notwithstanding other provisions of this contract, the State may allow a credit to each contractor not to exceed the surcharge paid by such contractor.

For the purpose of this contract, the surcharge credit shall be determined and applied in the following manner:

(1) The State shall, in each year after the year of initial water delivery, allow a credit to the Agency in the amount of the surcharge forwarded by the Agency to the State in the preceding year.

(2) The Agency shall not establish water rates, or tax or assessment rates, so as to cause the surcharge credit to be passed on to water users in a manner which will bring about a greater reduction in the cost per acre-foot of project water put to use on excess land than such cost of project water put to use on other than excess land.

This subdivision 46(b) shall be separable from all other provisions in this contract, and in the event that any or all of the provisions of this subdivision are in any manner or to any extent held to be invalid by final judgment or decree of a court of competent jurisdication, such holding and such invalidity shall in no way affect the validity of, or make invalid, any other provision of this contract.

IN WITNESS WHEREOF, the parties hereto have executed this contract on the date first above written.

Approved as to legal form and sufficiency:

P. G. Tourney
Chief Counsel
Department of Water Resources

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

By William E. Warne
Director

Approved as to form and execution:

James W. Dwight

DESERT WATER AGENCY

By Herbert Samson

DEVIL'S DEN WATER DISTRICT

Location and Size

Approximately 60 percent of the District is in the northwestern portion of Kern County with the balance being in the adjacent portion of Kings County. The District, as of July 1, 1964, had a total area of about 8,700 acres and a population of less than 100.

Water Supply and Utilization

Ground water is the only dependable water supply in the District and pumping unquestionably exceeds replenishment at the present time. It is estimated that under conditions of full development 6,400 acre-feet of water per year could be safely pumped. This comprises the present safe yield and reuse of percolate from the future imported supply. Water use in the District is and will continue to be for irrigated agriculture.

Items of Contract Information Unique to Agency

Date of Contract - Preamble

December 20, 1963

Agency's Principal Place of Business - Preamble

Fresno

Estimated Year of Initial Water Delivery - Article 6(a)

1968

Date of Request as to Delivery Structures - Article 10(b)

February 1, 1964

Limit on Instantaneous Rate of Delivery - Article 12(c)

33 cfs (Increased by Amendment No. 1 to 38 cfs.)

NOTES AND COMMENTS

E. SPECIAL PROVISIONS AND TABLES

45. SPECIAL PROVISIONS

(a) Surplus Water

Notwithstanding other proviaions of this contract, surplus water for agricultural and ground water replenishment use shall be offered to contractors on the following basia. Before surplus water is sold for other than agricultural and ground water replenishment use, each contractor shall have the right, subject to the ability of the State to deliver such water, to contract for agricultural and ground water replenishment use for a portion of the total amount of surplus water available in any year, in an amount which bears the same ratio to the total amount of surplus water available in that year as the sum of the annual entitlements, set forth in Table A of this contract, delivered to the contractor for agricultural and ground water replenishment use during the preceding three years bears to the total amount of such annual entitlements delivered for agricultural and ground water replenishment use during the preceding three years of all contractors requesting surplus water: *Provided,* That if its proportion of such surplus water is not required by or cannot be delivered to any contractor, such amount of additional surplus water shall be offered to other contractors for agricultural and ground water replenishment use. During the first three years in which project water is delivered to a contractor, the State shall determine the amount of surplus water which the contractor may obtain based on the contractor's maximum annual entitlement and the estimated percentage of its annual entitlement to be delivered for agricultural and ground water replenishment use; but quantities so determined shall not exceed the contractor's annual entitlement for that year. For the purpose of computing the portion of the surplus water for agricultural and ground water replenishment use to which each contractor is entitled, the State shall determine the amounts of water used for agricultural and ground water replenishment use by each contractor in each year: *Provided,* That each contractor shall furnish certified copies of such records and data concerning the use of water within its boundaries as the State may request.

Surplus water for agricultural and ground water replenishment use shall be furnished at prices which will return to the State the variable operation, maintenance, power, and replacement components of the Delta Water Charge and Transportation Charge incurred in such service of surplus water as determined by the State. A surcharge shall be added to the rate for surplus water furnished to excess land in an amount and under the conditions specified in Article 30 of this contract. Contracts made pursuant to this subdivision may exceed one year in duration.

Except as herein modified, the provisions of Article 21 of this contract are hereby confirmed, and all surplus water not specifically allocated pursuant to this subdivision shall be sold under the provisions of Article 21.

As used in this subdivision "ground water replenishment use" shall mean the use of project water exclusively by direct application to spreading basins, streambeds, or through other means of direct artificial recharge for the purpose of replenishing overdrawn ground water basins.

(b) Surcharge Credit

Notwithstanding other provisions of this contract, the State may include provisions in water supply contracts allowing a credit to a contractor not to exceed the surcharge to be paid by such contractor: *Provided,* That such credit shall be utilized to reduce the cost of water for agricultural use on other than excess land at a uniform rate per acre-foot not to exceed two dollars ($2) per acre-foot. Any contract including provisions pursuant to this subdivision shall assure that the reductions in the contractors obligations authorized by this subdivision are made available exclusively tor the benefit of agricultural use on land other than excess land and are not directly or indirectly made available for the benefit of agricultural use on excess land.

For the purpose of this contract, the surcharge credit shall be determined and applied in the following manner:

(1) The Agency or any retail agency shall reduce the toll for each acre-foot of project water put to agricultural use on other than excess land by a surcharge credit which shall be determined by dividing the total amount of the surcharge collected by the agency in any year by the total number of acre-feet of project water put to agricultural use on other than excess land within the agency: *Provided,* That the surcharge credit shall not exceed two dollars ($2).

(2) For the purpose of preventing any reduction in the cost of project water put to use on excess land the tolls charged by the Agency or any retail agency for project water put to agricultural use on other than excess land shall be less than the tolls charged for project water put to use on excess land by an amount equal to the sum of the surcharge and the surcharge credit, and the Agency agrees not to take any action with respect to the taxing or assessment of property which will nullify or tend to nullify the differential in tolls required by this subdivision.

(3) In the event that a water user commingles project water with water from other sources or receives a commingled water supply from the Agency or a retail agency that has commingled project water with water from another source, the quantity of water upon which the surcharge credit is to be determined shall be the product of the amount of water used by the water user from the commingled supply and the ratio of the amount of project water in the commingled supply to the total amount of commingled water, from which product shall be subtracted the amount of project water, if any, for which the water user is required to make payment of a surcharge under the provisions of Article 30(e) (2) of this contract.

(4) Article 30(d) of this contract is modified to read as follows:

The Agency, to the extent that it delivers project water directly to the users thereof, shall require on behalf of the State that each such user on or before February 1 of each year, commencing with the year following the year of initial water delivery: (i) certify in writing to the Agency on forms prescribed and furnished by the State the description of the excess land owned by such user upon which project water is put to agricultural or manufacturing use, and the amount of project water put to agricultural or manufacturing use on such land during the preceding year; (ii) pay to the Agency for the account of the State a surcharge for the amount of water so certified; and (iii) certify in writing to the Agency on forms prescribed and furnished by the State the description of the land other than excess land owned by such user upon which project water is put to agricultural use, and the amount of project water put to agricultural use on such land during the preceding year. The Agency to the extent that it delivers project water to a retail agency or to another agency by, through, or under which such water is delivered to a retail agency, shall require on behalf of the State that each water user served by such retail agency be required to, on or before January 15 of each year, commencing with the year following the year of initial water delivery: (i) certify in writing to the retail agency on forms prescribed and furnished by the State the description of the excess land owned by such user upon which project water is put to agricultural or manufacturing use and the amount of project water put to agricultural or manufacturing use on such land during the preceding year; (ii) pay to the retail agency for the account of the State a surcharge for the amount of project water so certified; and (iii) certify in writing to the Agency on forms prescribed and furnished by the State the description of the land other than excess land owned by such user upon which project water is put to agricultural use, and the amount of project water put to agricultural use on such land during the preceding year. The Agency and retail agency shall be entitled to rely upon the certifications furnished them by water users pursuant to this subdivision, unless notified by the State as to the inaccuracy of any such certification. Payments made to the Agency pursuant to this subdivision, together with the certifications supporting such payments, shall be forwarded to the State on or before March 1 of the year in which they are received. Payments made to a retail agency pursuant to this subdivision, together with the certifications supporting such payments, shall on behalf of the State be required to be forwarded to the Agency, which shall in turn forward them to the State on or before March 1 of the year in which they are received; except that where project water has been delivered to the retail agency by, through, or under any agency or agencies other than the Agency, such payments and certifications shall on behalf of the State be required to be forwarded by the retail agency to the agency from which it received project water and by that agency, et seq., to the Agency, which shall forward them to the State on or before March 1 of the year in which they are received.

(5) Commencing with the year following the year of initial water delivery, the State shall include in the written statement of charges furnished to the Agency for the succeeding year a reduction of charges equal to the total amount of the surcharge credit to which water users within the Agency were entitled during the year preceding the year in which such statement is made. After receiving such statement, the Agency shall credit the accounts of or make refunds to the water users of one-half of the surcharge credit due them effective not later than February 1 of the succeeding year and the balance not later than August 1 of that year.

(6) The remedies provided in Article 30(g) of this contract shall also be available to the State for the enforcement of this subdivision as against any retail agency or other agency by, through, or under which project water is delivered to a retail agency, or any water user.

(7) Where project water is delivered by the Agency to a retail agency or to another agency by, through, or under which project water is delivered to a retail agency, the Agency shall include the provisions of this subdivision 45(b) in any such contract and shall require its inclusion by any such agency in contracts under which it furnishes water to other agencies to the end that such provisions shall be included in any contract through which project water is furnished to a retail agency.

(8) This subdivision 45(b) shall be separable from all other provisions in this contract, and in the event that any or all of the provisions of this subdivision are in any manner or to any extent held to be invalid by final judgment or decree of a court of competent jurisdiction, such holding and such invalidity shall in no way affect the validity of, or make invalid, any other provision of this contract.

(c) Payment of Capital Cost Component of the Transportation Charge

The Agency shall completely pay its total allocated capital cost component of the Transportation Charge, together with interest thereon, within the project repayment period.

Notwithstanding any conflicting provisions in Articles 24(c), 24(e), and 29(b), the Agency's payments under the capital cost component of the Transportation Charge shall be determined as follows: the State shall determine a unit rate per acre-foot which will return to the State, during the project repayment period, the capital cost component of the Transportation Charge allocated to the Agency and interest thereon, computed at the project interest rate and compounded annually: *Provided,* That all unpaid interest shall be accumulated at the project interest rate, compounded annually, and added to the Agency's allocated capital costs. The Agency's annual payment for the capital cost component shall be the product of the unit rate and the Agency's annual entitlement. The Agency's repayment schedule for the capital cost component and the unit rate shall be set forth in Table D of this contract: *Provided,* That the amounts set forth in Table D shall be subject to redetermination by the State pursuant to Article 28. Payments by the Agency under the capital cost component of the Transportation Charge shall commence in the year of initial water delivery.

(d) Capacity in Transportation Facilities

The State shall provide sufficient capacity in the transportation facilities, subject to the provisions of Article 17(b), to deliver 18 percent of the Agency's annual entitlement in any month.

(e) Approval by District Securities Commission

Notwithstanding the provisions of Article 2, this contract shall not become effective until approved by the Districts Securities Commission.

(f) Assignment to Kern County Water Agency

Six Thousand Two Hundred (6,200) acre-feet of the Agency's maximum annual entitlement shall be assigned to the Kern County Water Agency on terms which shall be approved by the State.

TABLE A

ANNUAL ENTITLEMENTS
DEVIL'S DEN WATER DISTRICT

Year	Total Annual Amount in Thousands of Acre-feet
1	2.0
2	3.0
3	4.0
4	5.0
5	6.0
6	7.0
7	8.0
8	9.0
9	10.0
10	11.0
and each succeeding year thereafter, for the term of this contract as a Maximum Annual Entitlement	11.0

TABLE H

PROJECT TRANSPORTATION FACILITIES
DEVIL'S DEN WATER DISTRICT

1. A San Joaquin Valley-Southern California Aqueduct extending to the junction with the Coastal Aqueduct in the vicinity of Avenal, Kings County, to the extent such Aqueduct is determined by the State to be required for water transportation.

2. A Coastal Aqueduct, beginning on the San Joaquin Valley-Southern California Aqueduct in the vicinity of Avenal, Kings County, and extending to the intake of Pyramid Pumping Plant (Pumping Plant C-4).

TABLE I

AQUEDUCT REACHES
DEVIL'S DEN WATER DISTRICT

Aqueduct Reach	Major Features of Reach
CALIFORNIA AQUEDUCT	
Delta to Discharge Delta Pumping Plant:	Intake Canal Fish Protective Facilities Delta Pumping Plant (Pumping Plant I)
Discharge Delta Pumping Plant to San Luis Forebay:	Aqueduct
San Luis Forebay:	San Luis Forebay and Forebay Dam
San Luis Forebay to Kettleman City:	Aqueduct Mile 18 Pumping Plant
Kettleman City to Avenal Gap:	Aqueduct
COASTAL AQUEDUCT	
Avenal Gap to Discharge Avenal Pumping Plant:	Aqueduct Avenal Pumping Plant (Pumping Plant C-3)
Discharge Avenal Pumping Plant to Pyramid Pumping Plant:	Aqueduct

IN WITNESS WHEREOF, the parties hereto have executed this contract on the date first above written.

Approved as to legal form and sufficiency:

P. A. Towner

Chief Counsel
Department of Water Resources
P. O. Box 388
Sacramento, California

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

By _____
Director

Attest:

_____
Secretary
Devil's Den Water District
P.O. Box 1832
Fresno. California

DEVIL'S DEN WATER DISTRICT

By _____
President

STATE OF CALIFORNIA

DEPARTMENT OF WATER RESOURCES

AMENDMENT NO. 1 TO WATER SUPPLY
CONTRACT BETWEEN THE STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES AND
DEVIL'S DEN WATER DISTRICT

THIS CONTRACT, made this 28th day of September, 1964, pursuant to the provisions of the California Water Resources Development Bond Act, the State Central Valley Project Act, and other applicable laws of the State of California, between the State of California, acting by and through its Department of Water Resources, herein referred to as the "State," and Devil's Den Water District, a public agency in the State of California, duly organized, existing, and acting pursuant to the laws thereof with its principal place of business in Fresno, California, herein referred to as the "Agency,"

WITNESSETH, That:

WHEREAS, the State is authorized to construct and operate facilities for the storage and conveyance of water, certain of which facilities will make water available to the Agency; and

WHEREAS, the State and the Agency have entered into a water supply contract, dated December 20, 1963, providing that the State shall supply certain quantities of water to the Agency, and providing that the Agency shall make certain payments to the State, and setting forth the terms and conditions of such supply and such payment; and

WHEREAS, the maximum annual entitlements under all contracts executed by the State on or before December 31, 1963, did not aggregate the amount of the minimum project yield as defined in such water supply contract; and

WHEREAS, the Agency has elected to become entitled to a certain amount of the uncontracted for portion of the minimum project yield under the provisions of Article 8 of the above-mentioned contract and the State has determined that the Agency can put the water involved to beneficial use within a reasonable period of time; and

WHEREAS, the State and the Agency are desirous of making certain other changes and additions to such contract, while otherwise continuing the contract in full force and effect;

NOW THEREFORE, it is mutually agreed that the following changes and additions are hereby made to the Agency's water supply contract with the State:

1. Subdivision (k) of Article 1 is amended to read as follows:

(k) Minimum Project Yield

"Minimum project yield" shall mean the dependable annual supply of project water to be made available, estimated to be 4,230,000 acre-feet per year, said amount to be determined by the State on the basis of coordinated operation studies of initial project conservation facilities and additional project conservation facilities, which studies shall be based upon:

(1) The estimated relative proportion of deliveries for agricultural use to deliveries for municipal use for the year

1990, and the characteristic distributions of demands for these two uses throughout the year.

(2) An allowable reduction in the agricultural use portion of the minimum project yield, due to drought, of not to exceed fifty percent (50%) in any one year, nor a total of one hundred percent (100%) of one year's supply in any series of seven consecutive years.

(3) Agreements now in effect or as hereafter amended or supplemented between the State and the United States and others regarding the diversion or utilization of waters of the Delta or streams tributary thereto.

2. Table A entitled "Annual Entitlements Devil's Den Water District" is amended to read as follows:

TABLE A

ANNUAL ENTITLEMENTS
DEVIL'S DEN WATER DISTRICT

Year	Total Annual Amount fn Acre-feet
1	3,700
2	4,700
3	5,700
4	6,700
5	7,700
6	8,700
7	9,700
8	10,700
9	11,700
10	12,700
And each succeeding year thereafter, for the term of this contract:	12,700

3. Subdivision (c) of Article 12 is amended to read as follows:

(c) Limit on Rate of Delivery to Agency

In no event shall the State be obligated to deliver water to the Agency through all delivery structures at a total combined instantaneous rate of flow exceeding thirty eight (38) cubic feet per second, except as this rate of flow may be revised by amendment of this article after submission to the State of the Agency's requests with respect to maximum flow capacities to be provided in said delivery structures, pursuant to Article 10.

4. Subdivision (a) of Article 16 is amended to read as follows:

(a) Limit on Total of all Maximum Annual Entitlements

The Agency's maximum annual entitlement hereunder, together with the maximum annual entitlements of all other contractors, shall aggregate no more than the minimum project yield as defined herein and in no event more than 4,230,000 acre-feet of project water.

5. Subdivision (a) of Article 45 is amended to read as follows:

(a) Surplus Water

Notwithstanding other provisions of this contract, surplus water for agricultural and ground water replenishment use shall be offered to contractors on the following basis. Before surplus water is sold for other than agricultural and ground water replenishment use, each contractor shall have the right, subject to the ability of the State to deliver such water and to the provisions of the next succeeding paragraph, to contract for agricultural and ground water replenishment use for a portion

of the total amount of surplus water available in any year, in an amount which bears the same ratio to the total amount of surplus water available in that year as the sum of the annual entitlements, set forth in Table A of this contract, delivered to the contractor for agricultural and ground water replenishment use during the preceding three years bears to the total amount of such annual entitlements delivered for agricultural and ground water replenishment use during the preceding three years of all contractors requesting surplus water: Provided, That if its proportion of such surplus water is not required by or cannot be delivered to any contractor, such amount of additional surplus water shall be offered to other contractors for agricultural and ground water replenishment use. During the first three years in which project water is delivered to a contractor, the State shall determine the amount of surplus water which the contractor may obtain based on the contractor's maximum annual entitlement and the estimated percentage of its annual entitlement to be delivered for agricultural and ground water replenishment use; but quantities so determined shall not exceed the contractor's annual entitlement for that year. For the purpose of computing the portion of the surplus water for agricultural and ground water replenishment use to which each contractor is entitled, the State shall determine the amounts of water used for agricultural and ground water replenishment use by each contractor in each year: Provided, That each contractor shall furnish certified copies of such records and data concerning the use of water within its boundaries as the State may request.

The provisions of this paragraph shall be applicable only to contractors in the San Joaquin Valley Service Area, contractors in the Southern California Service Area, and contractors in the Central Coastal Service Area. Before surplus water is sold for other than agricultural and ground water replenishment use, each such contractor shall have the right, subject to the ability of the State to deliver such water, to contract for agricultural and ground water replenishment use in accordance with the following formula: contractors in the San Joaquin Valley Service Area shall have a right to contract for sixty-nine percent (69%) of the surplus water available at the Mile 18 Pumping Plant; contractors in the Southern California Service Area shall have a right to contract for twenty-nine percent (29%) of such water; and contractors in the Central Coastal Service Area shall have a right to contract for two percent (2%) of such water: Provided, That within each of these service areas, each contractor shall have the right to contract for agricultural and ground water replenishment use for a portion of the total amount of surplus water available to that service area in any year, in an amount which bears the same ratio to the total amount of surplus water available to the service area in that year as the sum of the annual entitlements, set forth in Table A of this contract, delivered to the contractor for agricultural and ground water replenishment use during the preceding three years bears to the total amount of such annual entitlements delivered for agricultural and ground water replenishment use during the preceding three years of all contractors in that service area requesting surplus water: Provided, further, That if its proportion of such surplus water is not

required by or cannot be delivered to any contractor, such amount of additional surplus water shall be offered to other contractors for agricultural and ground water replenishment use. During the first three years in which project water is delivered to a contractor, the State shall determine the amount of surplus water which the contractor may obtain based on the contractor's maximum annual entitlement and the estimated percentage of its annual entitlement to be delivered for agricultural and ground water replenishment use; but quantities so determined shall not exceed the contractor's annual entitlement for that year. As used in this paragraph, "contractors in the San Joaquin Service Area" shall mean: Devil's Den Water District, Dudley Ridge Water District, Empire West Side Irrigation District, Hacienda Water District, Kern County Water Agency, and Tulare Lake Basin Water Storage District; "contractors in the Southern California Service Area" shall mean: Antelope Valley-East Kern Water Agency, City of West Covina, Coachella Valley County Water District, Crestline-Lake Arrowhead Water Agency, Desert Water Agency, Littlerock Creek Irrigation District, Mojave Water Agency, Palmdale Irrigation District, San Bernardino Valley Municipal Water District, San Gabriel Valley Municipal Water District, San Gorgonio Pass Water Agency, The Metropolitan Water District of Southern California, Upper Santa Clara Valley Water Agency, and Ventura County Flood Control District; "contractors in th Central Coastal Service Area" shall mean: San Luis Obispo County Flood Control and Water Conservation District and Santa Barbara County Flood Control and Water Conservation District.

The provision of this paragraph shall be applicable only to a contractor to which the delivery of project water for municipal use as of 1990 is estimated by the State to be in excess of fifty percent (50%) of such contractor's maximum annual entitlement. For the purpose of fixing such contractor's right to delivery of surplus water, water from a watershed not tributary to the contractor's area which is delivered within the contractor's boundaries for agricultural or ground water replenishment use shall be deemed to be part of the contractor's annual entitlement delivered for such use in computing the quantity of surplus water to which the contractor is entitled under this subdivision: Provided, That the contractor shall not be deemed to have used more than its annual entitlement, as set forth in Table A, for such use. Surplus water shall be deemed to be used by the contractor for agricultural or ground water replenishment use if an equal quantity of water imported from a watershed not tributary to the contractor's area is delivered within the contractor's boundaries for such use.

In providing for the delivery of surplus water to contractors pursuant to this subdivision, the State shall refuse to deliver such surplus water to any contractor to the extent that the State determines that such delivery would tend to encourage the development of an economy within the area served by such contractor which would be dependent upon the sustained delivery of water in excess of the contractor's maximum annual entitlement. In no event shall the quantity of surplus water made available in any year prior to 1986 to any contractor under this subdivision

exceed the difference between its annual entitlement for that year and its maximum annual entitlement, except that, subject to provisions of the immediately preceding sentence, with respect to any contractor which under Table A of its contract is scheduled to receive its maximum annual entitlement prior to 1978, the quantity of surplus water made available in any year prior to 1986 under this subdivision may exceed such difference by not more than 3,000 acre-feet.

Surplus water for agricultural and ground water replenishment use shall be furnished at prices which will return to the State the variable operation, maintenance, power, and replacement components of the Delta Water Charge and Transportation Charge incurred in such service of surplus water as determined by the State. Surplus water delivered under this subdivision shall be limited to the quantity of water which can be delivered without adversely affecting the reliability, or increasing the cost, of service to meet annual entitlements. A surcharge shall be added to the rate for surplus water furnished to excess land in an amount and under the conditions specified in Article 30 of this contract. Contracts made pursuant to this subdivision may exceed one year in duration.

Except as herein modified, the provisions of Article 21 of this contract are hereby confirmed, and all surplus water not specifically allocated pursuant to this subdivision shall be sold under the provisions of Article 21. Nothing in this subdivision shall limit the right of the Agency to increase its annual entitlements as otherwise provided in this contract.

As used in this subdivision "ground water replenishment use" shall mean the use of project water exclusively by direct application to spreading basins, streambeds, or through other means of direct artificial recharge for the purpose of replenishing overdrawn ground water basins.

IN WITNESS WHEREOF, the parties hereto have executed this contract on the date first above written.

Approved as to legal form and sufficiency:

Chief Counsel
Department of Water Resources

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

Director

Approved as to form and execution:

SEC'Y

DEVIL'S DEN WATER DISTRICT

PRES.

DUDLEY RIDGE WATER DISTRICT

Location and Size

The District is located in the southern portion of Kings County on the western edge of the San Joaquin Valley. The California Aqueduct alignment closely follows its western boundary. The District, as of July 1, 1964, had an area of about 47,100 acres and a population of less than 50.

Water Supply and Utilization

Approximately 9,100 acres have been brought under irrigation. The main source of water for the presently irrigated lands is from wells located some forty miles to the east outside the District. Some water is obtained from local ground water in the extreme north portion of the District, but for the most part the local ground water supply is unusable for irrigation. The entire water supply of the District is and will continue to be used for irrigated agriculture.

Items of Contract Information Unique to Agency

Date of Contract - Preamble

December 13, 1963

Agency's Principal Place of Business - Preamble

Corcoran

Estimated Year of Initial Water Delivery - Article 6(a)

1968

Date of Request as to Delivery Structures - Article 10(b)

February 1, 1964

Limit on Instantaneous Rate of Delivery - Article 12(c)

150 cfs (Increased by Amendment No. 1 to 173 cfs.)

NOTES AND COMMENTS

E. SPECIAL PROVISIONS AND TABLES

45. SPECIAL PROVISIONS

(a) Surplus Water

Notwithstanding other provisions of this contract, surplus water for agricultural and ground water replenishment use shall be offered to contractors on the following basis. Before surplus water is sold for other than agricultural and ground water replenishment use, each contractor shall have the right, subject to the ability of the State to deliver such water, to contract for agricultural and ground water replenishment use for a portion of the total amount of surplus water available in any year, in an amount which bears the same ratio to the total amount of surplus water available in that year as the sum of the annual entitlements, set forth in Table A of this contract, delivered to the contractor for agricultural and ground water replenishment use during the preceding three years bears to the total amount of such annual entitlements delivered for agricultural and ground water replenishment use during the preceding three years of all contractors requesting surplus water: *Provided*, That if its proportion of such surplus water is not required by or cannot be delivered to any contractor, such amount of additional surplus water shall be offered to other contractors for agricultural and ground water replenishment use. During the first three years in which project water is delivered to a contractor, the State shall determine the amount of surplus water which the contractor may obtain based on the contractor's maximum annual entitlement and the estimated percentage of its annual entitlement to be delivered for agricultural and ground water replenishment use; but quantities so determined shall not exceed the contractor's annual entitlement for that year. For the purpose of computing the portion of the surplus water for agricultural and ground water replenishment use to which each contractor is entitled, the State shall determine the amounts of water used for agricultural and ground water replenishment use by each contractor in each year: *Provided*, That each contractor shall furnish certified copies of such records and data concerning the use of water within its boundaries as the State may request.

Surplus water for agricultural and ground water replenishment use shall be furnished at prices which will return to the State the variable operation, maintenance, power, and replacement components of the Delta Water Charge and Transportation Charge incurred in such service of surplus water as determined by the State. A surcharge shall be added to the rate for surplus water furnished to excess land in an amount and under the conditions specified in Article 30 of this contract. Contracts made pursuant to this subdivision may exceed one year in duration.

Except as herein modified, the provisions of Article 21 of this contract are hereby confirmed, and all surplus water not specifically allocated pursuant to this subdivision shall be sold under the provisions of Article 21.

As used in this subdivision "ground water replenishment use" shall mean the use of project water exclusively by direct application to spreading basins, streambeds, or through other means of direct artificial recharge for the purpose of replenishing overdrawn ground water basins.

(b) Surcharge Credit

Notwithstanding other provisions of this contract, the State may include provisions in water supply contracts allowing a credit to a contractor not to exceed the surcharge to be paid by such contractor: *Provided*, That such credit shall be utilized to reduce the cost of water for agricultural use on other than excess land at a uniform rate per acre-foot not to exceed two dollars ($2) per acre-foot. Any contract including provisions pursuant to this subdivision shall assure that the reductions in the contractors obligations authorized by this subdivision are made available exclusively for the benefit of agricultural use on land other than excess land and are not directly or indirectly made available for the benefit of agricultural use on excess land.

For the purpose of this contract, the surcharge credit shall be determined and applied in the following manner:

(1) The Agency or any retail agency shall reduce the toll for each acre-foot of project water put to agricultural use on other than excess land by a surcharge credit which shall be determined by dividing the total amount of the surcharge collected by the agency in any year by the total number of acre-feet of project water put to agricultural use on other than excess land within the agency: *Provided*, That the surcharge credit shall not exceed two dollars ($2)

(2) For the purpose of preventing any reduction in the cost of project water put to use on excess land the tolls charged by the Agency or any retail agency for project water put to agricultural use on other than excess land shall be less than the tolls charged for project water put to use on excess land by an amount equal to the sum of the surcharge and the surcharge credit, and the Agency agrees not to take any action with respect to the taxing or assessment of property which will nullify or tend to nullify the differential in tolls required by this subdivision.

(3) In the event that a water user commingles project water with water from other sources or receives a commingled water supply from the Agency or a retail agency that has commingled project water with water from another source, the quantity of water upon which the surcharge credit is to be determined shall be the product of the amount of water used by the water user from the commingled supply and the ratio of the amount of project water in the commingled supply to the total amount of commingled water, from which product shall be subtracted the amount of project water, if any, for which the water user is required to make payment of a surcharge under the provisions of Article 30(e) (2) of this contract.

(4) Article 30(d) of this contract is modified to read as follows:

The Agency, to the extent that it delivers project water directly to the users thereof, shall require on behalf of the State that each such user on or before February 1 of each year, commencing with the year following the year of initial water delivery: (i) certify in writing to the Agency on forms prescribed and furnished by the State the description of the excess land owned by such user upon which project water is put to agricultural or manufacturing use, and the amount of project water put to agricultural or manufacturing use on such land during the preceding year; (ii) pay to the Agency for the account of the State a surcharge for the amount of water so certified; and (iii) certify in writing to the Agency on forms prescribed and furnished by the State the description of the land other than excess land owned by such user upon which project water is put to agricultural use, and the amount of project water put to agricultural use on such land during the preceding year. The Agency to the extent that it delivers project water to a retail agency or to another agency by, through, or under which such water is delivered to a retail agency, shall require on behalf of the State that each water user served by such retail agency be required to, on or before January 15 of each year, commencing with the year following the year of initial water delivery: (i) certify in writing to the retail agency on forms prescribed and furnished by the State the description of the excess land owned by such user upon which project water is put to agricultural or manufacturing use and the amount of project water put to agricultural or manufacturing use on such land during the preceding year; (ii) pay to the retail agency for the account of the State a surcharge for the amount of project water so certified; and (iii) certify in writing to the Agency on forms prescribed and furnished by the State the description of the land other than excess land owned by such user upon which project water is put to agricultural use, and the amount of project water put to agricultural use on such land during the preceding year. The Agency and retail agency shall be entitled to rely upon the certifications furnished them by water users pursuant to this subdivision, unless notified by the State as to the inaccuracy of any such certification. Payments made to the Agency pursuant to this subdivision, together with the certifications supporting such payments, shall be forwarded to the State on or before March 1 of the year in which they are received. Payments made to a retail agency pursuant to this subdivision, together with the certifications supporting such payments, shall on behalf of the State be required to be forwarded to the Agency, which shall in turn forward them to the State on or before March 1 of the year in which they are received; except that where project water has been delivered to the retail agency by, through, or under any agency or agencies other than the Agency, such payments and certifications shall on behalf of the State be required to be forwarded by the retail agency to the agency from which it received project water and by that agency, et seq., to the Agency, which shall forward them to the State on or before March 1 of the year in which they are received.

(5) Commencing with the year following the year of initial water delivery, the State shall include in the written statement of charges furnished to the Agency for the succeeding year a reduction of charges equal to the total amount of the surcharge credit to which water users within the Agency were entitled during the year preceding the year in which such statement is made. After receiving such statement, the Agency shall credit the accounts of or make refunds to the water users of one-half of the surcharge credit due them effective not later than February 1 of the succeeding year and the balance not later than August 1 of that year.

(6) The remedies provided in Article 30(g) of this contract shall also be available to the State for the enforcement of this subdivision as against any retail agency or other agency by, through, or under which project water is delivered to a retail agency, or any water user.

(7) Where project water is delivered by the Agency to a retail agency or to another agency by, through, or under which project water is delivered to a retail agency, the Agency shall include the provisions of this subdivision 45(b) in any such contract and shall require its inclusion by any such agency in contracts under which it furnishes water to other agencies to the end that such provisions shall be included in any contract through which project water is furnished to a retail agency.

(8) This subdivision 45(b) shall be separable from all other provisions in this contract, and in the event that any or all of the provisions of this subdivision are in any manner or to any extent held to be invalid by final judgement or decree of a court of competent jurisdiction, such holding and such invalidity shall in no way affect the validity of, or make invalid, any other provision of this contract.

(c) **Payment of Capital Cost Component of the Transportation Charge**

The Agency shall completely pay its total allocated capital cost component of the Transportation Charge, together with interest thereon, within the project repayment period.

Notwithstanding any conflicting provisions in Articles 24(c), 24(e), and 29(b), the Agency's payments under the capital cost component of the Transportation Charge shall be determined as follows: the State shall determine a unit rate per acre-foot which will return to the State, during the project repayment period, the capital cost component of the Transportation Charge allocated to the Agency and interest thereon, computed at the project interest rate and compounded annually: *Provided,* That all unpaid interest shall be accumulated at the project interest rate, compounded annually, and added to the Agency's allocated capital costs. The Agency's annual payment for the capital cost component shall be the product of the unit rate and the Agency's annual entitlement. The Agency's repayment schedule for the capital cost component and the unit rate shall be set forth in Table D of this contract: *Provided,* That the amounts set forth in Table D shall be subject to redetermination by the State pursuant to Article 28. Payments by the Agency under the capital cost component of the Transportation Charge shall commence in the year of initial water delivery.

(d) **Capacity in Transportation Facilities**

The State shall provide sufficient capacity in the transportation facilities, subject to the provisions of Article 17(b), to deliver 18 percent of the Agency's annual entitlement in any month.

(e) **Approval by District Securities Commission**

Notwithstanding the provisions of Article 2, this contract shall not become effective until approved by the Districts Securities Commission.

TABLE A

ANNUAL ENTITLEMENTS
DUDLEY RIDGE WATER DISTRICT

Year	Total Annual Amount in Thousands of Acre-feet
1	10.0
2	11.8
3	13.6
4	15.5
5	17.3
6	19.1
7	20.9
8	22.7
9	24.5
10	26.3
11	28.2
12	30.0
13	31.8
14	33.6
15	35.5
16	37.2
17	39.1
18	40.9
19	42.7
20	44.5
21	46.4
22	48.2
23	50.0
and each succeeding year thereafter, for the term of this contract as a Maximum Annual Entitlement:	50.0

TABLE H

PROJECT TRANSPORTATION FACILITIES
DUDLEY RIDGE WATER DISTRICT

A San Joaquin Valley-Southern California Aqueduct extending to Twisselman Road, to the extent such aqueduct is determined by the State to be required for water transportation.

TABLE I

AQUEDUCT REACHES
DUDLEY RIDGE WATER DISTRICT

Aqueduct Reach	Major Features of Reach
Delta to Discharge Delta Pumping Plant:	Intake Canal Fish Protective Facilities Delta Pumping Plant (Pumping Plant 1)
Discharge Delta Pumping Plant to San Luis Forebay:	Aqueduct
San Luis Forebay:	San Luis Forebay and Forebay Dam
San Luis Forebay to Kettleman City:	Aqueduct Mile 18 Pumping Plant
Kettleman City to Avenal Gap:	Aqueduct
Avenal Gap to Twisselman Road	Aqueduct

IN WITNESS WHEREOF, the parties hereto have executed this contract on the date first above written.

Approved as to legal form and sufficiency:

Ralph Alpert

~~Chief~~ Counsel
Department of Water Resources
P. O. Box 388
Sacramento, California

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

By _____
Director

Attest:

S. S. Whitehead

Secretary
Dudley Ridge Water District
P.O. Box 104
Corcoran, California

DUDLEY RIDGE WATER DISTRICT

By Fred A. Smith
President

STATE OF CALIFORNIA

DEPARTMENT OF WATER RESOURCES

AMENDMENT NO. 1 TO WATER SUPPLY
CONTRACT BETWEEN THE STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES AND
DUDLEY RIDGE WATER DISTRICT

THIS CONTRACT, made this 28th day of September 1964, pursuant to the provisions of the California Water Resources Development Bond Act, the State Central Valley Project Act, and other applicable laws of the State of California, between the State of California, acting by and through its Department of Water Resources, herein referred to as the "State," and Dudley Ridge Water District, a public agency in the State of California, duly organized, existing, and acting pursuant to the laws thereof with its principal place of business in Corcoran, California, herein referred to as the "Agency,"

WITNESSETH, That:

WHEREAS, the State is authorized to construct and operate facilities for the storage and conveyance of water, certain of which facilities will make water available to the Agency; and

WHEREAS, the State and the Agency have entered into a water supply contract, dated December 13, 1963, providing that the State shall supply certain quantities of water to the Agency, and providing that the Agency shall make certain payments to the State, and setting forth the terms and conditions of such supply and such payment; and

WHEREAS, the maximum annual entitlements under all contracts executed by the State on or before December 31, 1963, did not aggregate the amount of the minimum project yield as defined in such water supply contract; and

WHEREAS, the Agency has elected to become entitled to a certain amount of the uncontracted for portion of the minimum project yield under the provisions of Article 8 of the above-mentioned contract and the State has determined that the Agency can put the water involved to beneficial use within a reasonable period of time; and

WHEREAS, the State and the Agency are desirous of making certain other changes and additions to such contract, while otherwise continuing the contract in full force and effect;

NOW THEREFORE, it is mutually agreed that the following changes and additions are hereby made to the Agency's water supply contract with the State:

1. Subdivision (k) of Article 1 is amended to read as follows:

(k) Minimum Project Yield

"Minimum project yield" shall mean the dependable annual supply of project water to be made available, estimated to be 4,230,000 acre-feet per year, said amount to be determined by the State on the basis of coordinated operation studies of initial project conservation facilities and additional project conservation facilities, which studies shall be based upon:

(1) The estimated relative proportion of deliveries for agricultural use to deliveries for municipal use for the year

1990, and the characteristic distributions of demands for these two uses throughout the year.

(2) An allowable reduction in the agricultural use portion of the minimum project yield, due to drought, of not to exceed fifty percent (50%) in any one year, nor a total of one hundred percent (100%) of one year's supply in any series of seven consecutive years.

(3) Agreements now in effect or as hereafter amended or supplemented between the State and the United States and others regarding the diversion or utilization of waters of the Delta or streams tributary thereto.

2. Table A entitled "Annual Entitlements Dudley Ridge Water District" is amended to read as follows:

TABLE A

ANNUAL ENTITLEMENTS
DUDLEY RIDGE WATER DISTRICT

Year	Total Annual Amount in Acre-feet
1	11,500
2	13,600
3	15,700
4	17,900
5	20,000
6	22,000
7	24,100
8	26,200
9	28,300
10	30,400
11	32,500
12	34,600
13	36,700
14	38,800
15	41,000
16	42,900
17	45,100
18	47,200
19	49,300
20	51,400
21	53,500
22	55,600
23	57,700
And each succeeding year thereafter, for the term of this contract:	57,700

3. Subdivision (c) of Article 12 is amended to read as follows:

(c) Limit on Rate of Delivery to Agency

In no event shall the State be obligated to deliver water to the Agency through all delivery structures at a total combined instantaneous rate of flow exceeding one hundred seventy three (173) cubic feet per second, except as this rate of flow may be revised by amendment of this article after submission to the

State of the Agency's requests with respect to maximum flow capacities to be provided in said delivery structures, pursuant to Article 10.

4. Subdivision (a) of Article 16 is amended to read as follows:

(a) Limit on Total of all Maximum Annual Entitlements

The Agency's maximum annual entitlement hereunder, together with the maximum annual entitlements of all other contractors, shall aggregate no more than the minimum project yield as defined herein and in no event more than 4,230,000 acre-feet of project water.

5. Subdivision (a) of Article 45 is amended to read as follows:

(a) Surplus Water

Notwithstanding other provisions of this contract, surplus water for agricultural and ground water replenishment use shall be offered to contractors on the following basis. Before surplus water is sold for other than agricultural and ground water replenishment use, each contractor shall have the right, subject to the ability of the State to deliver such water and to the provisions of the next succeeding paragraph, to contract for agricultural and ground water replenishment use for a portion of the total amount of surplus water available in any year, in an amount which bears the same ratio to the total amount of surplus water available in that year as the sum of the annual entitlements, set forth in Table A of this contract, delivered to the contractor for agricultural and ground water replenishment use during the preceding three years bears to the total amount of such annual

entitlements delivered for agricultural and ground water replenishment use during the preceding three years of all contractors requesting surplus water: Provided, That if its proportion of such surplus water is not required by or cannot be delivered to any contractor, such amount of additional surplus water shall be offered to other contractors for agricultural and ground water replenishment use. During the first three years in which project water is delivered to a contractor, the State shall determine the amount of surplus water which the contractor may obtain based on the contractor's maximum annual entitlement and the estimated percentage of its annual entitlement to be delivered for agricultural and ground water replenishment use; but quantities so determined shall not exceed the contractor's annual entitlement for that year. For the purpose of computing the portion of the surplus water for agricultural and ground water replenishment use to which each contractor is entitled, the State shall determine the amounts of water used for agricultural and ground water replenishment use by each contractor in each year: Provided, That each contractor shall furnish certified copies of such records and data concerning the use of water within its boundaries as the State may request.

The provisions of this paragraph shall be applicable only to contractors in the San Joaquin Valley Service Area, contractors in the Southern California Service Area, and contractors in the Central Coastal Service Area. Before surplus water is sold for other than agricultural and ground water replenishment use, each such contractor shall have the right, subject to the ability of the State to deliver such water, to contract for agricultural

and ground water replenishment use in accordance with the following formula: contractors in the San Joaquin Valley Service Area shall have a right to contract for sixty-nine percent (69%) of the surplus water available at the Mile 18 Pumping Plant; contractors in the Southern California Service Area shall have a right to contract for twenty-nine percent (29%) of such water; and contractors in the Central Coastal Service Area shall have a right to contract for two percent (2%) of such water: Provided, That within each of these service areas, each contractor shall have the right to contract for agricultural and ground water replenishment use for a portion of the total amount of surplus water available to that service area in any year, in an amount which bears the same ratio to the total amount of surplus water available to the service area in that year as the sum of the annual entitlements, set forth in Table A of this contract, delivered to the contractor for agricultural and ground water replenishment use during the preceding three years bears to the total amount of such annual entitlements delivered for agricultural and ground water replenishment use during the preceding three years of all contractors in that service area requesting surplus water: Provided, further, That if its proportion of such surplus water is not required by or cannot be delivered to any contractor, such amount of additional surplus water shall be offered to other contractors for agricultural and ground water replenishment use. During the first three years in which project water is delivered to a contractor, the State shall determine the amount of surplus water which the contractor may obtain based on the contractor's maximum annual entitlement and the

estimated percentage of its annual entitlement to be delivered for agricultural and ground water replenishment use; but quantities so determined shall not exceed the contractor's annual entitlement for that year. As used in this paragraph, "contractors in the San Joaquin Service Area" shall mean: Devil's Den Water District, Dudley Ridge Water District, Empire West Side Irrigation District, Hacienda Water District, Kern County Water Agency, and Tulare Lake Basin Water Storage District; "contractors in the Southern California Service Area" shall mean: Antelope Valley-East Kern Water Agency, City of West Covina, Coachella Valley County Water District, Crestline-Lake Arrowhead Water Agency, Desert Water Agency, Littlerock Creek Irrigation District, Mojave Water Agency, Palmdale Irrigation District, San Bernardino Valley Municipal Water District, San Gabriel Valley Municipal Water District, San Gorgonio Pass Water Agency, The Metropolitan Water District of Southern California, Upper Santa Clara Valley Water Agency, and Ventura County Flood Control District; "contractors in the Central Coastal Service Area" shall mean: San Luis Obispo County Flood Control and Water Conservation District and Santa Barbara County Flood Control and Water Conservation District.

The provision of this paragraph shall be applicable only to a contractor to which the delivery of project water for municipal use as of 1990 is estimated by the State to be in excess of fifty percent (50%) of such contractor's maximum annual entitlement. For the purpose of fixing such contractor's right to delivery of surplus water, water from a watershed not tributary to the

contractor's area which is delivered within the contractor's boundaries for agricultural or ground water replenishment use shall be deemed to be part of the contractor's annual entitlement delivered for such use in computing the quantity of surplus water to which the contractor is entitled under this subdivision: Provided, That the contractor shall not be deemed to have used more than its annual entitlement, as set forth in Table A, for such use. Surplus water shall be deemed to be used by the contractor for agricultural or ground water replenishment use if an equal quantity of water imported from a watershed not tributary to the contractor's area is delivered within the contractor's boundaries for such use.

In providing for the delivery of surplus water to contractors pursuant to this subdivision, the State shall refuse to deliver such surplus water to any contractor to the extent that the State determines that such delivery would tend to encourage the development of an economy within the area served by such contractor which would be dependent upon the sustained delivery of water in excess of the contractor's maximum annual entitlement. In no event shall the quantity of surplus water made available in any year prior to 1986 to any contractor under this subdivision exceed the difference between its annual entitlement for that year and its maximum annual entitlement, except that, subject to provisions of the immediately preceding sentence, with respect to any contractor which under Table A of its contract is scheduled to receive its maximum annual entitlement prior to 1978, the quantity of surplus water made available in any year prior to 1986 under this subdivision may exceed such difference by not more than 3,000 acre-feet.

Surplus water for agricultural and ground water replenishment use shall be furnished at prices which will return to the State the variable operation, maintenance, power, and replacement components of the Delta Water Charge and Transportation Charge incurred in such service of surplus water as determined by the State. Surplus water delivered under this subdivision shall be limited to the quantity of water which can be delivered without adversely affecting the reliability, or increasing the cost, of service to meet annual entitlements. A surcharge shall be added to the rate for surplus water furnished to excess land in an amount and under the conditions specified in Article 30 of this contract. Contracts made pursuant to this subdivision may exceed one year in duration.

Except as herein modified, the provisions of Article 21 of this contract are hereby confirmed, and all surplus water not specifically allocated pursuant to this subdivision shall be sold under the provisions of Article 21. Nothing in this subdivision shall limit the right of the Agency to increase its annual entitlements as otherwise provided in this contract.

As used in this subdivision "ground water replenishment use" shall mean the use of project water exclusively by direct application to spreading basins, streambeds, or through other means of direct artificial recharge for the purpose of replenishing overdrawn ground water basins.

IN WITNESS WHEREOF, the parties hereto have executed this contract on the date first above written.

Approved as to legal form and sufficiency:

P. G. Tourney
Chief Counsel
Department of Water Resources

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

By Edmund G. Brown
Director

Approved as to form and execution:

Edwin Tillemans
Attorney

DUDLEY RIDGE WATER DISTRICT

By Ward A. Smith
President

Attested By J. S. Satterlee
Secretary

EMPIRE WEST SIDE IRRIGATION DISTRICT

Location and Size

The District is located in Kings County in the trough of the San Joaquin Valley adjacent to and west of the South Fork of the Kings River. The District, as of July 1, 1964, had an area of about 7,700 acres and a population of less than 100.

Water Supply and Utilization

The present water supply of the District averages about 12,800 acre-feet annually and essentially all of it is used for irrigation. About 5,500 acre-feet of this supply is obtained from the Kings River and the remaining 7,300 acre-feet is obtained from privately owned wells within the District. Water from the State Water Project will be utilized to firm up the presently available irrigation supply.

Items of Contract Information Unique to Agency

Date of Contract - Preamble

December 30, 1963

Agency's Principal Place of Business - Preamble

Lemoore

Estimated Year of Initial Water Delivery - Article 6(a)

1968

Date of Request as to Delivery Structures - Article 10(b)

February 1, 1964

Limit on Instantaneous Rate of Delivery - Article 12(c)

9 cfs

NOTES AND COMMENTS

E. SPECIAL PROVISIONS AND TABLES

45. SPECIAL PROVISIONS

(a) Surplus Water

Notwithstanding other provisions of this contract, surplus water for agricultural and ground water replenishment use shall be offered to contractors on the following basis. Before surplus water is sold for other than agricultural and ground water replenishment use, each contractor shall have the right, subject to the ability of the State to deliver such water, to contract for agricultural and ground water replenishment use for a portion of the total amount of surplus water available in any year, in an amount which bears the same ratio to the total amount of surplus water available in that year as the sum of the annual entitlements, set forth in Table A of this contract, delivered to the contractor for agricultural and ground water replenishment use during the preceding three years bears to the total amount of such annual entitlements delivered for agricultural and ground water replenishment use during the preceding three years of all contractors requesting surplus water: *Provided,* That if its proportion of such surplus water is not required by or cannot be delivered to any contractor, such amount of additional surplus water shall be offered to other contractors for agricultural and ground water replenishment use. During the first three years in which project water is delivered to a contractor, the State shall determine the amount of surplus water which the contractor may obtain based on the contractor's maximum annual entitlement and the estimated percentage of its annual entitlement to be delivered for agricultural and ground water replenishment use; but quantities so determined shall not exceed the contractor's annual entitlement for that year. For the purpose of computing the portion of the surplus water for agricultural and ground water replenishment use to which each contractor is entitled, the State shall determine the amounts of water used for agricultural and ground water replenishment use by each contractor in each year: *Provided,* That each contractor shall furnish certified copies of such records and data concerning the use of water within its boundaries as the State may request.

Surplus water for agricultural and ground water replenishment use shall be furnished at prices which will return to the State the variable operation, maintenance, power, and replacement components of the Delta Water Charge and Transportation Charge incurred in such service of surplus water as determined by the State. A surcharge shall be added to the rate for surplus water furnished to excess land in an amount and under the conditions specified in Article 30 of this contract. Contracts made pursuant to this subdivision may exceed one year in duration.

Except as herein modified, the provisions of Article 21 of this contract are hereby confirmed, and all surplus water not specifically allocated pursuant to this subdivision shall be sold under the provisions of Article 21.

As used in this subdivision "ground water replenishment use" shall mean the use of project water exclusively by direct application to spreading basins, streambeds, or through other means of direct artificial recharge for the purpose of replenishing overdrawn ground water basins.

(b) Surcharge Credit

Notwithstanding other provisions of this contract, the State may include provisions in water supply contracts allowing a credit to a contractor not to exceed the surcharge to be paid by such contractor: *Provided,* That such credit shall be utilized to reduce the cost of water for agricultural use on other than excess land at a uniform rate per acre-foot not to exceed two dollars ($2) per acre-foot. Any contract including provisions pursuant to this subdivision shall assure that the reductions in the contractors obligations authorized by this subdivision are made available exclusively for the benefit of agricultural use on land other than excess land and are not directly or indirectly made available for the benefit of agricultural use on excess land.

For the purpose of this contract, the surcharge credit shall be determined and applied in the following manner:

(1) The Agency or any retail agency shall reduce the toll for each acre-foot of project water put to agricultural use on other than excess land by a surcharge credit which shall be determined by dividing the total amount of the surcharge collected by the agency in any year by the total number of acre-feet of project water put to agricultural use on other than excess land within the agency: *Provided,* That the surcharge credit shall not exceed two dollars ($2).

(2) For the purpose of preventing any reduction in the cost of project water put to use on excess land the tolls charged by the Agency or any retail agency for project water put to agricultural use on other than excess land shall be less than the tolls charged for project water put to use on excess land by an amount equal to the sum of the surcharge and the surcharge credit, and the Agency agrees not to take any action with respect to the taxing or assessment of property which will nullify or tend to nullify the differential in tolls required by this subdivision.

(3) In the event that a water user commingles project water with water from other sources or receives a commingled water supply from the Agency or a retail agency that has commingled project water with water from another source, the quantity of water upon which the surcharge credit is to be determined shall be the product of the amount of water used by the water user from the commingled supply and the ratio of the amount of project water in the commingled supply to the total amount of commingled water, from which product shall be subtracted the amount of project water, if any, for which the water user is required to make payment of a surcharge under the provisions of Article 30(e) (2) of this contract.

(4) Article 30(d) of this contract is modified to read as follows:

The Agency, to the extent that it delivers project water directly to the users thereof, shall require on behalf of the State that each such user on or before February 1 of each year, commencing with the year following the year of initial water delivery: (i) certify in writing to the Agency on forms prescribed and furnished by the State the description of the excess land owned by such user upon which project water is put to agricultural or manufacturing use, and the amount of project water put to agricultural or manufacturing use on such land during the preceding year; (ii) pay to the Agency for the account of the State a surcharge for the amount of water so certified; and (iii) certify in writing to the Agency on forms prescribed and furnished by the State the description of the land other than excess land owned by such user upon which project water is put to agricultural use, and the amount of project water put to agricultural use on such land during the preceding year. The Agency to the extent that it delivers project water to a retail agency or to another agency by, through, or under which such water is delivered to a retail agency, shall require on behalf of the State that each water user served by such retail agency be required to, on or before January 15 of each year, commencing with the year following the year of initial water delivery: (i) certify in writing to the retail agency on forms prescribed and furnished by the State the description of the excess land owned by such user upon which project water is put to agricultural or manufacturing use and the amount of project water put to agricultural or manufacturing use on such land during the preceding year; (ii) pay to the retail agency for the account of the State a surcharge for the amount of project water so certified; and (iii) certify in writing to the Agency on forms prescribed and furnished by the State the description of the land other than excess land owned by such user upon which project water is put to agricultural use, and the amount of project water put to agricultural use on such land during the preceding year. The Agency and retail agency shall be entitled to rely upon the certifications furnished them by water users pursuant to this subdivision, unless notified by the State as to the inaccuracy of any such certification. Payments made to the Agency pursuant to this subdivision, together with the certifications supporting such payments, shall be forwarded to the State on or before March 1 of the year in which they are received. Payments made to a retail agency pursuant to this subdivision, together with the certifications supporting such payments, shall on behalf of the State be required to be forwarded to the Agency, which shall in turn forward them to the State on or before March 1 of the year in which they are received; except that where project water has been delivered to the retail agency by, through, or under any agency or agencies other than the Agency, such payments and certifications shall on behalf of the State be required to be forwarded by the retail agency to the agency from which it received project water and by that agency, et seq., to the Agency, which shall forward them to the State on or before March 1 of the year in which they are received.

(5) Commencing with the year following the year of initial water delivery, the State shall include in the written statement of charges furnished to the Agency for the succeeding year a reduction of charges equal to the total amount of the surcharge credit to which water users within the Agency were entitled during the year preceding the year in which such statement is made. After receiving such statement, the Agency shall credit the accounts of or make refunds to the water users of one-half of the surcharge credit due them effective not later than February 1 of the succeeding year and the balance not later than August 1 of that year.

(6) The remedies provided in Article 30(g) of this contract shall also be available to the State for the enforcement of this subdivision as against any retail agency or other agency by, through, or under which project water is delivered to a retail agency, or any water user.

(7) Where project water is delivered by the Agency to a retail agency or to another agency by, through, or under which project water is delivered to a retail agency, the Agency shall include the provisions of this subdivision 45(b) in any such contract and shall require its inclusion by any such agency in contracts under which it furnishes water to other agencies to the end that such provisions shall be included in any contract through which project water is furnished to a retail agency.

(8) This subdivision 45(b) shall be separable from all other provisions in this contract, and in the event that any or all of the provisions of this subdivision are in any manner or to any extent held to be invalid by final judgement or decree of a court of competent jurisdiction, such holding and such invalidity shall in no way affect the validity of, or make invalid, any other provision of this contract.

(c) Payment of Capital Cost Component of the Transportation Charge

The Agency shall completely pay its total allocated capital cost component of the Transportation Charge, together with interest thereon, within the project repayment period.

Notwithstanding any conflicting provisions in Articles 24(c), 24(e), and 29(b), the Agency's payments under the capital cost component of the Transportation Charge shall be determined as follows: the State shall determine a unit rate per acre-foot which will return to the State, during the project repayment period, the capital cost component of the Transportation Charge allocated to the Agency and interest thereon, computed at the project interest rate and compounded annually: *Provided,* That all unpaid interest shall be accumulated at the project interest rate, compounded annually, and added to the Agency's allocated capital costs. The Agency's annual payment for the capital cost component shall be the product of the unit rate and the Agency's annual entitlement. The Agency's repayment schedule for the capital cost component and the unit rate shall be set forth in Table D of this contract: *Provided,* That the amounts set forth in Table D shall be subject to redetermination by the State pursuant to Article 28. Payments by the Agency under the capital cost component of the Transportation Charge shall commence in the year of initial water delivery.

(d) Capacity in Transportation Facilities

The State shall provide sufficient capacity in the transportation facilities, subject to the provisions of Article 17(b), to deliver 18 percent of the Agency's annual entitlement in any month.

(e) Approval by District Securities Commission

Notwithstanding the provisions of Article 2, this contract shall not become effective until approved by the Districts Securities Commission.

(f) Adjustment of Annual Entitlements

(1) Subject to approval by the State and similar rights of other contractors, the Agency may increase its annual entitlement for any year in which local water supplies available to the Agency are deficient due to climatic conditions up to the amount of its maximum annual entitlement: *Provided,* That such increase in delivery of water shall not interfere with the delivery of their respective annual entitlements to other contractors.

(2) In a year in which the Agency is unable to accept an amount of project water equal to its annual entitlement for that year because of above-average local water supply available to the Agency due to climatic conditions which occur subsequent to a year in which the Agency has increased its annual entitlement pursuant to paragraph (1) of this subdivision, the Agency may make a reduction in its annual entitlement which shall not exceed the sum of all prior increases in annual entitlement made under paragraph (1) of this subdivision less the sum of all prior decreases in annual entitlement made under this subdivision.

(3) In the event that, due to conditions of above-average local water supply available to the Agency because of favorable climatic conditions, the Agency in any year is unable to accept an amount of project water equal to its annual entitlement for said year as set forth in Table A of this contract the Agency shall remain obligated to make all payments required under this contract, including the capital cost component and the minimum operation, maintenance, power and replacement component of the Delta Water Charge: *Provided,* That the Agency's annual entitlement for said year is not reduced under the provision of paragraph (2) of this subdivision.

(4) In a year in which local water supplies available to the Agency are deficient because of climatic conditions which occur subsequent to a year in which deliveries to the Agency have been decreased under paragraph (3) of this subdivision the Agency may request and the State shall, consistant with similar rights of other contractors, deliver project water in an amount greater than the annual entitlement set forth for that year in Table A of this contract but not to exceed the sum of all prior amounts of project water not delivered to the Agency, but for which the Agency has paid the capital cost component and the minimum operation, maintenance, power and replacement component of the Delta Water Charge under paragraph (3) of this subdivision, less the sum of all prior deliveries of project water to the Agency under the provisions of this subdivision: *Provided,* That the sum of the annual entitlement of the Agency for that year and the amount of water delivered to the Agency in excess of its annual entitlement under this subdivision shall not exceed the maximum annual entitlement of the Agency: *Provided further,* That such increase in delivery of water shall not interfere with the delivery to other contractors of their respective annual entitlements.

(5) Notwithstanding provisions of Article 22, payments by the Agency pursuant to paragraphs (2) and (4) of this subdivision shall be such that the total payments to the State for the capital cost and minimum operation, maintenance, power and replacement components of the Delta Water Charge during the project repayment period shall be the same as if no change in annual entitlement had been made under paragraph (1) of this subdivision and no decrease in water delivery had been made under paragraph (3) of this subdivision.

(i) In the event of a decreased annual entitlement to the Agency under paragraph (2) of this subdivision, the Agency shall, in addition to the Delta Water Charge computed pursuant to Article 22(d), pay an amount which shall be the product of the amount of the decrease in the annual entitlement and the difference in the capital cost and minimum operation, maintenance, power and replacement components of the Delta Water Charge for that year and the same components of the Delta Water Charge for the appropriate year in which the annual entitlement was increased under paragraph (1) of this subdivision. The appropriate year for which the annual entitlement was so increased shall be the earliest year not offset by a decrease of annual entitlement pursuant to paragraph (2) of this subdivision.

(ii) In a year in which an increased quantity of water is furnished under paragraph (4) of this subdivision, the Delta Water Charge shall be computed pursuant to Article 22(d), and in addition the Agency shall pay an amount which shall be the product of such increase in quantity and the difference in the capital costs and minimum operation, maintenance, power and replacement components of the Delta Water Charge for that year and the same components of the Delta Water Charge for the appropriate previous year in which the delivery was less than the annual entitlement as provided under paragraph (3) of this subdivision. The appropriate previous year shall be the earliest year in which such water was not delivered under paragraph (3) of this subdivision which has not been offset by increased delivery under paragraph (4) of this subdivision.

(iii) For the purposes of this subdivision, the capital cost and minimum operation, maintenance, power and replacement components of the Delta Water Charge prior to December 31, 1969, shall be deemed to be three dollars and fifty cents ($3.50) per acre-foot of water less the variable operation, maintenance, power and replacement component rate computed under Article 22(c).

(f) Provision for Years of Above-Normal Local Water Supply.

Within the framework of the contract, particularly by the provisions of Article 15(a) and possible deferment of the delivery of annual entitlements, the State will work with the Agency to avoid loss to the Agency on account of its inability to accept project water in years when runoff is above normal in the watersheds tributary to Tulare Lake Basin, and the State will cooperate with the Agency in the preparation of any necessary contract amendments and their presentation to other contractors.

(g) Approval by District Securities Commission

Notwithstanding the provisions of Article 2, this contract shall not become effective until approved by the Districts Securities Commission.

TABLE A

ANNUAL ENTITLEMENTS
EMPIRE WEST SIDE IRRIGATION DISTRICT

Year	Total Annual Amount in Thousands of Acre-feet
1	3.0
and each succeeding year thereafter, for the term of this contract as a Maximum Annual Entitlement:	3.0

TABLE H

PROJECT TRANSPORTATION FACILITIES
EMPIRE WEST SIDE IRRIGATION DISTRICT

A San Joaquin Valley-Southern California Aqueduct extending to Kettleman City, to the extent such aqueduct is determined by the State to be required for water transportation.

TABLE I

AQUEDUCT REACHES
EMPIRE WEST SIDE IRRIGATION DISTRICT

Aqueduct Reach	Major Features of Reach
Delta to Discharge Delta Pumping Plant:	Intake Canal Fish Protective Facilities Delta Pumping Plant (Pumping Plant 1)
Discharge Delta Pumping Plant to San Luis Forebay:	Aqueduct
San Luis Forebay:	San Luis Forebay and Forebay Dam
San Luis Forebay to Kettleman City:	Aqueduct Mile 18 Pumping Plant

IN WITNESS WHEREOF, the parties hereto have executed this contract on the date first above written.

Approved as to legal form and sufficiency:

P. G. Towner

Chief Counsel
Department of Water Resources
P. O. Box 388
Sacramento, California

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

By _____
Director

Attest:

E. G. Follett

Secretary
Empire West Side Irrigation District
331 D Street
Lemoore, California

EMPIRE WEST SIDE IRRIGATION DISTRICT

By Stanley Newton
President

STATE OF CALIFORNIA

DEPARTMENT OF WATER RESOURCES

AMENDMENT NO. 1 TO WATER SUPPLY
CONTRACT BETWEEN THE STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES AND
EMPIRE WEST SIDE IRRIGATION DISTRICT

THIS CONTRACT, made this 28th day of September, 1964, pursuant to the provisions of the California Water Resources Development Bond Act, the State Central Valley Project Act, and other applicable laws of the State of California, between the State of California, acting by and through its Department of Water Resources, herein referred to as the "State," and Empire West Side Irrigation District, a public agency in the State of California, duly organized, existing, and acting pursuant to the laws thereof with its principal place of business in Lemoore, California, herein referred to as the "Agency,"

WITNESSETH, That:

WHEREAS, the State is authorized to construct and operate facilities for the storage and conveyance of water, certain of which facilities will make water available to the Agency; and

WHEREAS, the State and the Agency have entered into a water supply contract, dated December 30, 1963, providing that the State shall supply certain quantities of water to the Agency, and providing that the Agency shall make certain payments to the State, and setting forth the terms and conditions of such supply and such payment; and

WHEREAS, the State and the Agency are desirous of making certain changes and additions to such contract, while otherwise continuing the contract in full force and effect;

NOW THEREFORE, it is mutually agreed that the following changes and additions are hereby made to the Agency's water supply contract with the State:

1. Subdivision (k) of Article 1 is amended to read as follows:

(k) Minimum Project Yield

"Minimum project yield" shall mean the dependable annual supply of project water to be made available, estimated to be 4,230,000 acre-feet per year, said amount to be determined by th State on the basis of coordinated operation studies of initial project conservation facilities and additional project conservation facilities, which studies shall be based upon:

(1) The estimated relative proportion of deliveries for agricultural use to deliveries for municipal use for the year 1990, and the characteristic distributions of demands for these two uses throughout the year.

(2) An allowable reduction in the agricultural use portion of the minimum project yield, due to drought, of not to exceed fifty percent (50%) in any one year, nor a total of one hundred percent (100%) of one year's supply in any series of seven consecutive years.

(3) Agreements now in effect or as hereafter amended or supplemented between the State and the United States and othersregarding the diversion or utilization of waters of the Delta or streams tributary thereto.

2. Subdivision (a) of Article 16 is amended to read as follows:

(a) Limit on Total of all Maximum Annual Entitlements

The Agency's maximum annual entitlement hereunder, together with the maximum annual entitlements of all other contractors, shall aggregate no more than the minimum project yield as defined herein and in no event more than 4,230,000 acre-feet of project water.

3. Subdivision (a) of Article 45 is amended to read as follows:

(a) Surplus Water

Notwithstanding other provisions of this contract, surplus water for agricultural and ground water replenishment use shall be offered to contractors on the following basis. Before surplus water is sold for other than agricultural and ground water replenishment use, each contractor shall have the right, subject to the ability of the State to deliver such water and to the provisions of the next succeeding paragraph, to contract for agricultural and ground water replenishment use for a portion of the total amount of surplus water available in any year, in an amount which bears the same ratio to the total amount of surplus water available in that year as the sum of the annual entitlements, set forth in Table A of this contract, delivered to the contractor for agricultural and ground water replenishment use during the preceding three years bears to the total amount of such annual entitlements delivered for agricultural and ground water replenishment use during the preceding three years of all contractors requesting surplus water: Provided, That if its proportion of

such surplus water is not required by or cannot be delivered to any contractor, such amount of additional surplus water shall be offered to other contractors for agricultural and ground water replenishment use. During the first three years in which project water is delivered to a contractor, the State shall determine the amount of surplus water which the contractor may obtain based on the contractor's maximum annual entitlement and the estimated percentage of its annual entitlement to be delivered for agricultural and ground water replenishment use; but quantities so determined shall not exceed the contractor's annual entitlement for that year. For the purpose of computing the portion of the surplus water for agricultural and ground water replenishment use to which each contractor is entitled, the State shall determine the amounts of water used for agricultural and ground water replenishment use by each contractor in each year: Provided, That each contractor shall furnish certified copies of such records and data concerning the use of water within its boundaries as the State may request.

The provisions of this paragraph shall be applicable only to contractors in the San Joaquin Valley Service Area, contractors in the Southern California Service Area, and contractors in the Central Coastal Service Area. Before surplus water is sold for other than agricultural and ground water replenishment use, each such contractor shall have the right, subject to the ability of the State to deliver such water, to contract for agricultural and ground water replenishment use in accordance with the following formula: contractors in the San Joaquin Valley Service Area shall have a right to contract for sixty-nine percent (69%) of the

surplus water available at the Mile 18 Pumping Plant; contractors in the Southern California Service Area shall have a right to contract for twenty-nine percent (29%) of such water; and contractors in the Central Coastal Service Area shall have a right to contract for two percent (2%) of such water: Provided, That within each of these service areas, each contractor shall have the right to contract for agricultural and ground water replenishment use for a portion of the total amount of surplus water available to that service area in any year, in an amount which bears the same ratio to the total amount of surplus water available to the service area in that year as the sum of the annual entitlements, set forth in Table A of this contract, delivered to the contractor for agricultural and ground water replenishment use during the preceding three years bears to the total amount of such annual entitlements delivered for agricultural and ground water replenishment use during the preceding three years of all contractors in that service area requesting surplus water: Provided, further, That if its proportion of such surplus water is not required by or cannot be delivered to any contractor, such amount of additional surplus water shall be offered to other contractors for agricultural and ground water replenishment use. During the first three years in which project water is delivered to a contractor, the State shall determine the amount of surplus water which the contractor may obtain based on the contractor's maximum annual entitlement and the estimated percentage of its annual entitlement to be delivered for agricultural and ground water replenishment use; but quantities so determined shall not exceed the contractor's annual entitlement for that year. As used in this paragraph,

"contractors in the San Joaquin Service Area" shall mean: Devil's Den Water District, Dudley Ridge Water District, Empire West Side Irrigation District, Hacienda Water District, Kern County Water Agency, and Tulare Lake Basin Water Storage District; "contractors in the Southern California Service Area" shall mean: Antelope Valley-East Kern Water Agency, City of West Covina, Coachella Valley County Water District, Crestline-Lake Arrowhead Water Agency, Desert Water Agency, Littlerock Creek Irrigation District, Mojave Water Agency, Palmdale Irrigation District, San Bernardino Valley Municipal Water District, San Gabriel Valley Municipal Water District, San Gorgonio Pass Water Agency, The Metropolitan Water District of Southern California, Upper Santa Clara Valley Water Agency, and Ventura County Flood Control District; "contractors in the Central Coastal Service Area" shall mean: San Luis Obispo County Flood Control and Water Conservation District and Santa Barbara County Flood Control and Water Conservation District.

The provision of this paragraph shall be applicable only to a contractor to which the delivery of project water for municipal use as of 1990 is estimated by the State to be in excess of fifty percent (50%) of such contractor's maximum annual entitlement. For the purpose of fixing such contractor's right to delivery of surplus water, water from a watershed not tributary to the contractor's area which is delivered within the contractor's boundaries for agricultural or ground water replenishment use shall be deemed to be part of the contractor's annual entitlement delivered for

such use in computing the quantity of surplus water to which the contractor is entitled under this subdivision: Provided, That the contractor shall not be deemed to have used more than its annual entitlement, as set forth in Table A, for such use. Surplus water shall be deemed to be used by the contractor for agricultural or ground water replenishment use if an equal quantity of water imported from a watershed not tributary to the contractor's area is delivered within the contractor's boundaries for such use.

In providing for the delivery of surplus water to contractors pursuant to this subdivision, the State shall refuse to deliver such surplus water to any contractor to the extent that the State determines that such delivery would tend to encourage the development of an economy within the area served by such contractor which would be dependent upon the sustained delivery of water in excess of the contractor's maximum annual entitlement. In no event shall the quantity of surplus water made available in any year prior to 1986 to any contractor under this subdivision exceed the difference between its annual entitlement for that year and its maximum annual entitlement, except that, subject to provisions of the immediately preceding sentence, with respect to any contractor which under Table A of its contract is scheduled to receive its maximum annual entitlement prior to 1978, the quantity of surplus water made available in any year prior to 1986 under this subdivision may exceed such difference by not more than 3,000 acre-feet.

Surplus water for agricultural and ground water replenishment use shall be furnished at prices which will return to the

State the variable operation, maintenance, power, and replacement components of the Delta Water Charge and Transportation Charge incurred in such service of surplus water as determined by the State. Surplus water delivered under this subdivision shall be limited to the quantity of water which can be delivered without adversely affecting the reliability, or increasing the cost, of service to meet annual entitlements. A surcharge shall be added to the rate for surplus water furnished to excess land in an amount and under the conditions specified in Article 30 of this contract. Contracts made pursuant to this subdivision may exceed one year in duration.

Except as herein modified, the provisions of Article 21 of this contract are hereby confirmed, and all surplus water not specifically allocated pursuant to this subdivision shall be sold under the provisions of Article 21. Nothing in this subdivision shall limit the right of the Agency to increase its annual entitlements as otherwise provided in this contract.

As used in this subdivision "ground water replenishment use" shall mean the use of project water exclusively by direct application to spreading basins, streambeds, or through other means of direct artificial recharge for the purpose of replenishing overdrawn ground water basins.

IN WITNESS WHEREOF, the parties hereto have executed this contract on the date first above written.

Approved as to legal form and sufficiency:

P. G. Towner
Chief Counsel
Department of Water Resources

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

By _____
Director

Approved as to form and execution:

Chandler Jennings

EMPIRE WEST SIDE IRRIGATION DISTRICT

By _____

HACIENDA WATER DISTRICT

Location and Size

The District is located in Kings County two miles north of the Kings-Kern County line, near the western edge of the San Joaquin Valley. The District, as of July 1, 1964, had an area of about 15,300 acres and an estimated population of less than 50.

Water Supply and Utilization

The present water supply of the District is obtained from local ground water sources, Kings River by imports through the Homeland Canal, and the Kern River. The latter source of water is only available in years of extremely high runoff. The annual yield of these sources is estimated to average approximately 6,000 acre-feet from ground water and 4,000 acre-feet from surface supplies. Water from the State Water Project will supplement these supplies and the total supply will be used for agricultural irrigation.

Items of Contract Information Unique to Agency

Date of Contract - Preamble

December 20, 1963

Agency's Principal Place of Business - Preamble

Corcoran

Estimated Year of Initial Water Delivery - Article 6(a)

1968

Date of Request as to Delivery Structures - Article 10(b)

February 1, 1964

Limit on Instantaneous Rate of Delivery - Article 12(c)

26 cfs

NOTES AND COMMENTS

E. SPECIAL PROVISIONS AND TABLES

45. SPECIAL PROVISIONS

(a) Surplus Water

Notwithstanding other provisions of this contract, surplus water for agricultural and ground water replenishment use shall be offered to contractors on the following basis. Before surplus water is sold for other than agricultural and ground water replenishment use, each contractor shall have the right, subject to the ability of the State to deliver such water, to contract for agricultural and ground water replenishment use for a portion of the total amount of surplus water available in any year, in an amount which bears the same ratio to the total amount of surplus water available in that year as the sum of the annual entitlements, set forth in Table A of this contract, delivered to the contractor for agricultural and ground water replenishment use during the preceding three years bears to the total amount of such annual entitlements delivered for agricultural and ground water replenishment use during the preceding three years of all contractors requesting surplus water: *Provided,* That if its proportion of such surplus water is not required by or cannot be delivered to any contractor, such amount of additional surplus water shall be offered to other contractors for agricultural and ground water replenishment use. During the first three years in which project water is delivered to a contractor, the State shall determine the amount of surplus water which the contractor may obtain based on the contractor's maximum annual entitlement and the estimated percentage of its annual entitlement to be delivered for agricultural and ground water replenishment use; but quantities so determined shall not exceed the contractor's annual entitlement for that year. For the purpose of computing the portion of the surplus water for agricultural and ground water replenishment use to which each contractor is entitled, the State shall determine the amounts of water used for agricultural and ground water replenishment use by each contractor in each year: *Provided,* That each contractor shall furnish certified copies of such records and data concerning the use of water within its boundaries as the State may request.

Surplus water for agricultural and ground water replenishment use shall be furnished at prices which will return to the State the variable operation, maintenance, power, and replacement components of the Delta Water Charge and Transportation Charge incurred in such service of surplus water as determined by the State. A surcharge shall be added to the rate for surplus water furnished to excess land in an amount and under the conditions specified in Article 30 of this contract. Contracts made pursuant to this subdivision may exceed one year in duration.

Except as herein modified, the provisions of Article 21 of this contract are hereby confirmed, and all surplus water not specifically allocated pursuant to this subdivision shall be sold under the provisions of Article 21.

As used in this subdivision "ground water replenishment use" shall mean the use of project water exclusively by direct application to spreading basins, streambeds, or through other means of direct artificial recharge for the purpose of replenishing overdrawn ground water basins.

(b) Surcharge Credit

Notwithstanding other provisions of this contract, the State may include provisions in water supply contracts allowing a credit to a contractor not to exceed the surcharge to be paid by such contractor: *Provided,* That such credit shall be utilized to reduce the cost of water for agricultural use on other than excess land at a uniform rate per acre-foot not to exceed two dollars ($2) per acre-foot. Any contract including provisions pursuant to this subdivision shall assure that the reductions in the contractors obligations authorized by this subdivision are made available exclusively for the benefit of agricultural use on land other than excess land and are not directly or indirectly made available for the benefit of agricultural use on excess land.

For the purpose of this contract, the surcharge credit shall be determined and applied in the following manner:

(1) The Agency or any retail agency shall reduce the toll for each acre-foot of project water put to agricultural use on other than excess land by a surcharge credit which shall be determined by dividing the total amount of the surcharge collected by the agency in any year by the total number of acre-feet of project water put to agricultural use on other than excess land within the agency: *Provided,* That the surcharge credit shall not exceed two dollars ($2).

(2) For the purpose of preventing any reduction in the cost of project water put to use on excess land the tolls charged by the Agency or any retail agency for project water put to agricultural use on other than excess land shall be less than the tolls charged for project water put to use on excess land by an amount equal to the sum of the surcharge and the surcharge credit, and the Agency agrees not to take any action with respect to the taxing or assessment of property which will nullify or tend to nullify the differential in tolls required by this subdivision.

(3) In the event that a water user commingles project water with water from other sources or receives a commingled water supply from the Agency or a retail agency that has commingled project water with water from another source, the quantity of water upon which the surcharge credit is to be determined shall be the product of the amount of water used by the water user from the commingled supply and the ratio of the amount of project water in the commingled supply to the total amount of commingled water, from which product shall be subtracted the amount of project water, if any, for which the water user is required to make payment of a surcharge under the provisions of Article 30(e) (2) of this contract.

(4) Article 30(d) of this contract is modified to read as follows:

The Agency, to the extent that it delivers project water directly to the users thereof, shall require on behalf of the State that each such user on or before February 1 of each year, commencing with the year following the year of initial water delivery: (i) certify in writing to the Agency on forms prescribed and furnished by the State the description of the excess land owned by such user upon which project water is put to agricultural or manufacturing use, and the amount of project water put to agricultural or manufacturing use on such land during the preceding year; (ii) pay to the Agency for the account of the State a surcharge for the amount of water so certified; and (iii) certify in writing to the Agency on forms prescribed and furnished by the State the description of the land other than excess land owned by such user upon which project water is put to agricultural use, and the amount of project water put to agricultural use on such land during the preceding year. The Agency to the extent that it delivers project water to a retail agency or to another agency by, through, or under which such water is delivered to a retail agency, shall require on behalf of the State that each water user served by such retail agency be required to, on or before January 15 of each year, commencing with the year following the year of initial water delivery: (i) certify in writing to the retail agency on forms prescribed and furnished by the State the description of the excess land owned by such user upon which project water is put to agricultural or manufacturing use and the amount of project water put to agricultural or manufacturing use on such land during the preceding year; (ii) pay to the retail agency for the account of the State a surcharge for the amount of project water so certified; and (iii) certify in writing to the Agency on forms prescribed and furnished by the State the description of the land other than excess land owned by such user upon which project water is put to agricultural use, and the amount of project water put to agricultural use on such land during the preceding year. The Agency and retail agency shall be entitled to rely upon the certifications furnished them by water users pursuant to this subdivision, unless notified by the State as to the inaccuracy of any such certification. Payments made to the Agency pursuant to this subdivision, together with the certifications supporting such payments, shall be forwarded to the State on or before March 1 of the year in which they are received. Payments made to a retail agency pursuant to this subdivision, together with the certifications supporting such payments, shall on behalf of the State be required to be forwarded to the Agency, which shall in turn forward them to the State on or before March 1 of the year in which they are received; except that where project water has been delivered to the retail agency by, through, or under any agency or agencies other than the Agency, such payments and certifications shall on behalf of the State be required to be forwarded by the retail agency to the agency from which it received project water and by that agency, et seq., to the Agency, which shall forward them to the State on or before March 1 of the year in which they are received.

(5) Commencing with the year following the year of initial water delivery, the State shall include in the written statement of charges furnished to the Agency for the succeeding year a reduction of charges equal to the total amount of the surcharge credit to which water users within the Agency were entitled during the year preceding the year in which such statement is made. After receiving such statement, the Agency shall credit the accounts of or make refunds to the water users of one-half of the surcharge credit due them effective not later than February 1 of the succeeding year and the balance not later than August 1 of that year.

(6) The remedies provided in Article 30(g) of this contract shall also be available to the State for the enforcement of this subdivision as against any retail agency or other agency by, through, or under which project water is delivered to a retail agency, or any water user.

(7) Where project water is delivered by the Agency to a retail agency or to another agency by, through, or under which project water is delivered to a retail agency, the Agency shall include the provisions of this subdivision 45(b) in any such contract and shall require its inclusion by any such agency in contracts under which it furnishes water to other agencies to the end that such provisions shall be included in any contract through which project water is furnished to a retail agency.

(8) This subdivision 45(b) shall be separable from all other provisions in this contract, and in the event that any or all of the provisions of this subdivision are in any manner or to any extent held to be invalid by final judgment or decree of a court of competent jurisdiction, such holding and such invalidity shall in no way affect the validity of, or make invalid, any other provision of this contract.

(c) Payment of Capital Cost Component of the Transportation Charge

The Agency shall completely pay its total allocated capital cost component of the Transportation Charge, together with interest thereon, within the project repayment period.

Notwithstanding any conflicting provisions in Articles 24(c), 24(e), and 29(b), the Agency's payments under the capital cost component of the Transportation Charge shall be determined as follows: the State shall determine a unit rate per acre-foot which will return to the State, during the project repayment period, the capital cost component of the Transportation Charge allocated to the Agency and interest thereon, computed at the project interest rate and compounded annually: *Provided,* That all unpaid interest shall be accumulated at the project interest rate, compounded annually, and added to the Agency's allocated capital costs. The Agency's annual payment for the capital cost component shall be the product of the unit rate and the Agency's annual entitlement. The Agency's repayment schedule for the capital cost component and the unit rate shall be set forth in Table D of this contract: *Provided,* That the amounts set forth in Table D shall be subject to redetermination by the State pursuant to Article 28. Payments by the Agency under the capital cost component of the Transportation Charge shall commence in the year of initial water delivery.

(d) Capacity in Transportation Facilities

The State shall provide sufficient capacity in the transportation facilities, subject to the provisions of Article 17(b), to deliver 18 percent of the Agency's annual entitlement in any month.

(e) Adjustment of Annual Entitlements

(1) Subject to approval by the State and similar rights of other contractors, the Agency may increase its annual entitlement for any year in which local water supplies available to the Agency are deficient due to climatic conditions up to the amount of its maximum annual entitlement: *Provided,* That such increase in delivery of water shall not interfere with the delivery of their respective annual entitlements to other contractors.

(2) In a year in which the Agency is unable to accept an amount of project water equal to its annual entitlement for that year because of above-average local water supply available to the Agency due to climatic conditions which occur subsequent to a year in which the Agency has increased its annual entitlement pursuant to paragraph (1) of this subdivision, the Agency may make a reduction in its annual entitlement which shall not exceed the sum of all prior increases in annual entitlement made under paragraph (1) of this subdivision less the sum of all prior decreases in annual entitlement made under this subdivision.

(3) In the event that, due to conditions of above-average local water supply available to the Agency because of favorable climatic conditions, the Agency in any year is unable to accept an amount of project water equal to its annual entitlement for said year as set forth in Table A of this contract the Agency shall remain obligated to make all payments required under this contract, including the capital cost component and the minimum operation, maintenance, power and replacement component of the Delta Water Charge: *Provided,* That the Agency's annual entitlement for said year is not reduced under the provision of paragraph (2) of this subdivision.

(4) In a year in which local water supplies available to the Agency are deficient because of climatic conditions which occur subsequent to a year in which deliveries to the Agency have been decreased under paragraph (3) of this subdivision the Agency may request and the State shall, consistant with similar rights of other contractors, deliver project water in an amount greater than the annual entitlement set forth for that year in Table A of this contract but not to exceed the sum of all prior amounts of project water not delivered to the Agency, but for which the Agency has paid the capital cost component and the minimum operation, maintenance, power and replacement component of the Delta Water Charge under paragraph (3) of this subdivision, less the sum of all prior deliveries of project water to the Agency under the provisions of this subdivision: *Provided,* That the sum of the annual entitlement of the Agency for that year and the amount of water delivered to the Agency in excess of its annual entitlement under this subdivision shall not exceed the maximum annual entitlement of the Agency: *Provided further,* That such increase in delivery of water shall not interfere with the delivery to other contractors of their respective annual entitlements.

(5) Notwithstanding provisions of Article 22, payments by the Agency pursuant to paragraphs (2) and (4) of this subdivision shall be such that the total payments to the State for the capital cost and minimum operation, maintenance, power and replacement components of the Delta Water Charge during the project repayment period shall be the same as if no change in annual entitlement had been made under paragraph (1) of this subdivision and no decrease in water delivery had been made under paragraph (3) of this subdivision.

(i) In the event of a decreased annual entitlement to the Agency under paragraph (2) of this subdivision, the Agency shall, in addition to the Delta Water Charge computed pursuant to Article 22(d), pay an amount which shall be the product of the amount of the decrease in the annual entitlement and the difference in the capital cost and minimum operation, maintenance, power and replacement components of the Delta Water Charge for that year and the same components of the Delta Water Charge for the appropriate year in which the annual entitlement was increased under paragraph (1) of this subdivision. The appropriate year for which the annual entitlement was so increased shall be the earliest year not offset by a decrease of annual entitlement pursuant to paragraph (2) of this subdivision.

(ii) In a year in which an increased quantity of water is furnished under paragraph (4) of this subdivision, the Delta Water Charge shall be computed pursuant to Article 22(d), and in addition the Agency shall pay an amount which shall be the product of such increase in quantity and the difference in the capital costs and minimum operation, maintenance, power and replacement components of the Delta Water Charge for that year and the same components of the Delta Water Charge for the appropriate previous year in which the delivery was less than the annual entitlement as provided under paragraph (3) of this subdivision. The appropriate previous year shall be the earliest year in which such water was not delivered under paragraph (3) of this subdivision which has not been offset by increased delivery under paragraph (4) of this subdivision.

(iii) For the purposes of this subdivision, the capital cost and minimum operation, maintenance, power and replacement components of the Delta Water Charge prior to December 31, 1969, shall be deemed to be three dollars and fifty cents ($3.50) per acre-foot of water less the variable operation, maintenance, power and replacement component rate computed under Article 22(c).

(f) **Provision for Years of Above-Normal Local Water Supply.**

Within the framework of the contract, particularly by the provisions of Article 15(a) and possible deferment of the delivery of annual entitlements, the State will work with the Agency to avoid loss to the Agency on account of its inability to accept project water in years when runoff is above normal in the watersheds tributary to Tulare Lake Basin, and the State will cooperate with the Agency in the preparation of any necessary contract amendments and their presentation to other contractors.

(g) **Approval by District Securities Commission**

Notwithstanding the provisions of Article 2, this contract shall not become effective until approved by the Districts Securities Commission.

TABLE A

ANNUAL ENTITLEMENTS
HACIENDA WATER DISTRICT

Year	Total Annual Amount in Thousands of Acre-feet
1	1.3
2	1.6
3	2.0
4	2.3
5	2.6
6	2.9
7	3.3
8	3.6
9	3.9
10	4.2
11	4.6
12	4.9
13	5.2
14	5.6
15	5.9
16	6.2
17	6.5
18	6.9
19	7.2
20	7.5
21	7.8
22	8.2
23	8.5
and each succeeding year thereafter, for the term of this contract as a Maximum Annual Entitlement:	8.5

TABLE H

PROJECT TRANSPORTATION FACILITIES
HACIENDA WATER DISTRICT

A San Joaquin Valley-Southern California Aqueduct extending to Twisselman Road, to the extent such aqueduct is determined by the State to be required for water transportation.

TABLE I

AQUEDUCT REACHES
HACIENDA WATER DISTRICT

Aqueduct Reach	Major Features of Reach
Delta to Discharge Delta Pumping Plant:	Intake Canal Fish Protective Facilities Delta Pumping Plant (Pumping Plant I)
Discharge Delta Pumping Plant to San Luis Forebay:	Aqueduct
San Luis Forebay:	San Luis Forebay and Forebay Dam
San Luis Forebay to Kettleman City:	Aqueduct Mile 18 Pumping Plant
Kettleman City to Avenal Gap:	Aqueduct
Avenal Gap to Twisselman Road	Aqueduct

IN WITNESS WHEREOF, the parties hereto have executed this contract on the date first above written.

Approved as to legal form and sufficiency:

P. G. Tourney

Chief Counsel
Department of Water Resources
P. O. Box 388
Sacramento, California

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

By _____
Director

Attest:

Philip P. Marsky

Secretary
Hacienda Water District
1107 Norboe Street
Corcoran, California

HACIENDA WATER DISTRICT

By _____
President

Approved as to form and execution:

_____
Counsel

STATE OF CALIFORNIA

DEPARTMENT OF WATER RESOURCES

AMENDMENT NO. 1 TO WATER SUPPLY
CONTRACT BETWEEN THE STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES AND
HACIENDA WATER DISTRICT

THIS CONTRACT, made this 28th day of September, 1964, pursuant to the provisions of the California Water Resources Development Bond Act, the State Central Valley Project Act, and other applicable laws of the State of California, between the State of California, acting by and through its Department of Water Resources, herein referred to as the "State," and Hacienda Water District, a public agency in the State of California, duly organized existing, and acting pursuant to the laws thereof with its principal place of business in Corcoran, California, herein referred to as the "Agency,"

WITNESSETH, That:

WHEREAS, the State is authorized to construct and operate facilities for the storage and conveyance of water, certain of which facilities will make water available to the Agency; and

WHEREAS, the State and the Agency have entered into a water supply contract, dated December 20, 1963, providing that the State shall supply certain quantities of water to the Agency, and providing that the Agency shall make certain payments to the State, and setting forth the terms and conditions of such supply and such payment; and

WHEREAS, the State and the Agency are desirous of making certain changes and additions to such contract, while otherwise continuing the contract in full force and effect;

NOW THEREFORE, it is mutually agreed that the following changes and additions are hereby made to the Agency's water supply contract with the State:

1. Subdivision (k) of Article 1 is amended to read as follows:

(k) Minimum Project Yield

"Minimum project yield" shall mean the dependable annual supply of project water to be made available, estimated to be 4,230,000 acre-feet per year, said amount to be determined by th State on the basis of coordinated operation studies of initial project conservation facilities and additional project conservation facilities, which studies shall be based upon:

(1) The estimated relative proportion of deliveries for agricultural use to deliveries for municipal use for the year 1990, and the characteristic distributions of demands for these two uses throughout the year.

(2) An allowable reduction in the agricultural use portion of the minimum project yield, due to drought, of not to exceed fifty percent (50%) in any one year, nor a total of one hundred percent (100%) of one year's supply in any series of seven consecutive years.

(3) Agreements now in effect or as hereafter amended or supplemented between the State and the United States and othersregarding the diversion or utilization of waters of the Delta or streams tributary thereto.

2. Subdivision (a) of Article 16 is amended to read as follows:

(a) Limit on Total of all Maximum Annual Entitlements

The Agency's maximum annual entitlement hereunder, together with the maximum annual entitlements of all other contractors, shall aggregate no more than the minimum project yield as defined herein and in no event more than 4,230,000 acre-feet of project water.

3. Subdivision (a) of Article 45 is amended to read as follows:

(a) Surplus Water

Notwithstanding other provisions of this contract, surplus water for agricultural and ground water replenishment use shall be offered to contractors on the following basis. Before surplus water is sold for other than agricultural and ground water replenishment use, each contractor shall have the right, subject to the ability of the State to deliver such water and to the provisions of the next succeeding paragraph, to contract for agricultural and ground water replenishment use for a portion of the total amount of surplus water available in any year, in an amount which bears the same ratio to the total amount of surplus water available in that year as the sum of the annual entitlements, set forth in Table A of this contract, delivered to the contractor for agricultural and ground water replenishment use during the preceding three years bears to the total amount of such annual entitlements delivered for agricultural and ground water replenishment use during the preceding three years of all contractors requesting surplus water: Provided, That if its proportion of

such surplus water is not required by or cannot be delivered to any contractor, such amount of additional surplus water shall be offered to other contractors for agricultural and ground water replenishment use. During the first three years in which project water is delivered to a contractor, the State shall determine the amount of surplus water which the contractor may obtain based on the contractor's maximum annual entitlement and the estimated percentage of its annual entitlement to be delivered for agricultural and ground water replenishment use; but quantities so determined shall not exceed the contractor's annual entitlement for that year. For the purpose of computing the portion of the surplus water for agricultural and ground water replenishment use to which each contractor is entitled, the State shall determine the amounts of water used for agricultural and ground water replenishment use by each contractor in each year: Provided, That each contractor shall furnish certified copies of such records and data concerning the use of water within its boundaries as the State may request.

The provisions of this paragraph shall be applicable only to contractors in the San Joaquin Valley Service Area, contractors in the Southern California Service Area, and contractors in the Central Coastal Service Area. Before surplus water is sold for other than agricultural and ground water replenishment use, each such contractor shall have the right, subject to the ability of the State to deliver such water, to contract for agricultural and ground water replenishment use in accordance with the following formula: contractors in the San Joaquin Valley Service Area shall have a right to contract for sixty-nine percent (69%) of the

surplus water available at the Mile 18 Pumping Plant; contractors in the Southern California Service Area shall have a right to contract for twenty-nine percent (29%) of such water; and contractors in the Central Coastal Service Area shall have a right to contract for two percent (2%) of such water: Provided, That within each of these service areas, each contractor shall have the right to contract for agricultural and ground water replenishment use for a portion of the total amount of surplus water available to that service area in any year, in an amount which bears the same ratio to the total amount of surplus water available to the service area in that year as the sum of the annual entitlements, set forth in Table A of this contract, delivered to the contractor for agricultural and ground water replenishment use during the preceding three years bears to the total amount of such annual entitlements delivered for agricultural and ground water replenishment use during the preceding three years of all contractors in that service area requesting surplus water: Provided, further, That if its proportion of such surplus water is not required by or cannot be delivered to any contractor, such amount of additional surplus water shall be offered to other contractors for agricultural and ground water replenishment use. During the first three years in which project water is delivered to a contractor, the State shall determine the amount of surplus water which the contractor may obtain based on the contractor's maximum annual entitlement and the estimated percentage of its annual entitlement to be delivered for agricultural and ground water replenishment use; but quantities so determined shall not exceed the contractor's annual entitlement for that year. As used in this paragraph,

"contractors in the San Joaquin Service Area" shall mean: Devil's Den Water District, Dudley Ridge Water District, Empire West Side Irrigation District, Hacienda Water District, Kern County Water Agency, and Tulare Lake Basin Water Storage District; "contractors in the Southern California Service Area" shall mean: Antelope Valley-East Kern Water Agency, City of West Covina, Coachella Valley County Water District, Crestline-Lake Arrowhead Water Agency, Desert Water Agency, Littlerock Creek Irrigation District, Mojave Water Agency, Palmdale Irrigation District, San Bernardino Valley Municipal Water District, San Gabriel Valley Municipal Water District, San Gorgonio Pass Water Agency, The Metropolitan Water District of Southern California, Upper Santa Clara Valley Water Agency, and Ventura County Flood Control District; "contractors in the Central Coastal Service Area" shall mean: San Luis Obispo County Flood Control and Water Conservation District and Santa Barbara County Flood Control and Water Conservation District.

The provision of this paragraph shall be applicable only to a contractor to which the delivery of project water for municipal use as of 1990 is estimated by the State to be in excess of fifty percent (50%) of such contractor's maximum annual entitlement. For the purpose of fixing such contractor's right to delivery of surplus water, water from a watershed not tributary to the contractor's area which is delivered within the contractor's boundaries for agricultural or ground water replenishment use shall be deemed to be part of the contractor's annual entitlement delivered for

such use in computing the quantity of surplus water to which the contractor is entitled under this subdivision: Provided, That the contractor shall not be deemed to have used more than its annual entitlement, as set forth in Table A, for such use. Surplus water shall be deemed to be used by the contractor for agricultural or ground water replenishment use if an equal quantity of water imported from a watershed not tributary to the contractor's area is delivered within the contractor's boundaries for such use.

In providing for the delivery of surplus water to contractors pursuant to this subdivision, the State shall refuse to deliver such surplus water to any contractor to the extent that the State determines that such delivery would tend to encourage the development of an economy within the area served by such contractor which would be dependent upon the sustained delivery of water in excess of the contractor's maximum annual entitlement. In no event shall the quantity of surplus water made available in any year prior to 1986 to any contractor under this subdivision exceed the difference between its annual entitlement for that year and its maximum annual entitlement, except that, subject to provisions of the immediately preceding sentence, with respect to any contractor which under Table A of its contract is scheduled to receive its maximum annual entitlement prior to 1978, the quantity of surplus water made available in any year prior to 1986 under this subdivision may exceed such difference by not more than 3,000 acre-feet.

Surplus water for agricultural and ground water replenishment use shall be furnished at prices which will return to the

State the variable operation, maintenance, power, and replacement components of the Delta Water Charge and Transportation Charge incurred in such service of surplus water as determined by the State. Surplus water delivered under this subdivision shall be limited to the quantity of water which can be delivered without adversely affecting the reliability, or increasing the cost, of service to meet annual entitlements. A surcharge shall be added to the rate for surplus water furnished to excess land in an amount and under the conditions specified in Article 30 of this contract. Contracts made pursuant to this subdivision may exceed one year in duration.

Except as herein modified, the provisions of Article 21 of this contract are hereby confirmed, and all surplus water not specifically allocated pursuant to this subdivision shall be sold under the provisions of Article 21. Nothing in this subdivision shall limit the right of the Agency to increase its annual entitlements as otherwise provided in this contract.

As used in this subdivision "ground water replenishment use" shall mean the use of project water exclusively by direct application to spreading basins, streambeds, or through other means of direct artificial recharge for the purpose of replenishing overdrawn ground water basins.

IN WITNESS WHEREOF, the parties hereto have executed this contract on the date first above written.

Approved as to legal form and sufficiency:

Chief Counsel
Department of Water Resources

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

By _____
Director

~~Approved as to form and execution~~

Attest:

Secretary

HACIENDA WATER DISTRICT

By _____
President

KERN COUNTY WATER AGENCY

Location and Size

The Agency encompasses all of the County of Kern. As of July 1, 1964, it had an area of 4,379,400 acres and a population of 293,200 exclusive of that portion of the County also included in the Antelope Valley-East Kern Water Agency.

Water Supply and Utilization

The Kern River is the only stream in the proposed Kern County Water Agency service area which provides the area with a substantial water supply. The major source of water presently being used in the proposed service area is the underlying ground water basin. Serious depletions of the ground water supply are occurring due to excessive pumping. Approximately 85 percent of project water will be used for agricultural irrigation and the balance for municipal and industrial purposes.

Items of Contract Information Unique to Agency

Date of Contract - Preamble

November 15, 1963

Agency's Principal Place of Business - Preamble

Bakersfield

Estimated Year of Initial Water Delivery - Article 6(a)

1968

Date of Request as to Delivery Structures - Article 10(b)

February 1, 1964

Limit on Instantaneous Rate of Delivery - Article 12(c)

2,820 cfs (Increased by Amendment No. 1 to 3,277 cfs.)

NOTES AND COMMENTS

E. SPECIAL PROVISIONS AND TABLES

45. SPECIAL PROVISIONS

(a) Capacity in Transportation Facilities

The State shall provide sufficient capacity in the transportation facilities, subject to the provisions of Article 17(b), to deliver 18 percent of the portion of the Agency's annual entitlement to be put to agricultural use in any month and to deliver 11 percent of the portion of the Agency's annual entitlement to be put to municipal use in any month.

(b) Payment of Capital Cost Component of the Transportation Charge.

The Agency shall completely pay its total allocated capital cost component of the Transportation Charge, together with interest thereon, within the project repayment period.

(1) The projected portions of the Agency's annual entitlement which will be put to agricultural use and that will be put to municipal use during each year of the project repayment period shall be determined by the State and set forth in Table A(1) of this contract: *Provided,* That the amounts set forth in Table A(1) shall be subject to redetermination by the State pursuant to Article 28. The projected amounts of capital costs to be attributed annually to agricultural use and to municipal use under the capital cost component of the Transportation Charge shall be determined by the State by the method utilized in Article 24(b) for the allocation of such capital costs between contractors and shall be set forth in Table C of this contract: *Provided,* That the amounts set forth in Table C shall be subject to redetermination by the State pursuant to Article 28.

(2) Notwithstanding any conflicting provisions in Articles 24(c), 24(e), and 29(b), the Agency's payments under that portion of the capital cost component of the Transportation Charge which is attributed by the State to agricultural use of project water shall be determined as follows: The State shall determine a unit rate per acre-foot which, when paid for the projected portion of the Agency's annual entitlement to be put to agricultural use, will return to the State, during the project repayment period, the portion of the capital cost component of the Transportation Charge allocated to the Agency that has been attributed to agricultural use and interest thereon, computed at the project interest rate and compounded annually: *Provided,* That all unpaid interest shall be accumulated at the project interest rate, compounded annually, and added to the Agency's allocated capital costs. The Agency's annual payment for such portion of the capital cost component shall be the product of the unit rate and the projected portion of the Agency's annual entitlement to be put to agricultural use. The Agency's repayment schedule for the portion of the capital cost component attributed to agricultural use and the unit rate shall be set forth in Table D of this contract: *Provided,* That the amounts set forth in Table D shall be subject to redetermination by the State pursuant to Article 28. Payments by the Agency under the capital cost component of the Transportation Charge attributed to agricultural use shall commence in the year of initial water delivery.

(3) The portion of the capital cost component of the Transportation Charge for the Agency attributed to municipal use shall be determined and paid in accordance with Articles 24 and 29 of this contract and the repayment schedule for such portion shall also be set forth in Table D of this contract: *Provided,* That the amounts set forth in Table D shall be subject to redetermination by the State pursuant to Article 28: *Provided further,* That payments by the Agency under the capital cost component of the Transportation Charge attributed to municipal use shall commence in 1965.

(c) Surplus Water

Notwithstanding other provisions of this contract, surplus water for agricultural and ground water replenishment use shall be offered to contractors on the following basis. Before surplus water is sold for other than agricultural and ground water replenishment use, each contractor shall have the right, subject to the ability of the State to deliver such water, to contract for agricultural and ground water replenishment use for a portion of the total amount of surplus water available in any year, in an amount which bears the same ratio to the total amount of surplus water available in that year as the sum of the annual entitlements, set forth in Table A of this contract, delivered to the contractor for agricultural and ground water replenishment use during the preceding three years bears to the total amount of such annual entitlements delivered for agricultural and ground water replenishment use during the preceding three years of all contractors requesting surplus water: *Provided,* That if its proportion of such surplus water is not required

by or cannot be delivered to any contractor, such amount of additional surplus water shall be offered to other contractors for agricultural and ground water replenishment use. During the first three years in which project water is delivered to a contractor, the State shall determine the amount of surplus water which the contractor may obain based on the contractor's maximum annual entitlement and the estimated percentage of its annual entitlement to be delivered for agricultural and ground water replenishment use; but quantities so determined shall not exceed the contractor's annual entitlement for that year. For the purpose of computing the portion of the surplus water for agricultural and ground water replenishment use to which each contractor is entitled, the State shall determine the amounts of water used for agricultural and ground water replenishment use by each contractor in each year: *Provided,* That each contractor shall furnish certified copies of such records and data concerning the use of water within its boundaries as the State may request.

Surplus water for agricultural and ground water replenishment use shall be furnished at prices which will return to the State the variable operation, maintenance, power, and replacement components of the Delta Water Charge and Transportation Charge incurred in such service of surplus water as determined by the State. A surcharge shall be added to the rate for surplus water furnished to excess land in an amount and under the conditions specified in Article 30 of this contract. Contracts made pursuant to this subdivision may exceed one year in duration.

Except as herein modified, the provisions of Article 21 of this contract are hereby confirmed, and all surplus water not specifically allocated pursuant to this subdivision shall be sold under the provisions of Article 21.

As used in this subdivision " ground water replenishment use" shall mean the use of project water exclusively by direct application to spreading basins, streambeds, or through other means of direct artificial recharge for the purpose of replenishing overdrawn ground water basins.

(d) **Surcharge Credit**

Notwithstanding other provisions of this contract, the State may include provisions in water supply contracts allowing a credit to a contractor not to exceed the surcharge to be paid by such contractor: *Provided,* That such credit shall be utilized to reduce the cost of water for agricultural use on other than excess land at a uniform rate per acre-foot not to exceed two dollars ($2) per acre-foot. Any contract including provisions pursuant to this subdivision shall assure that the reductions in the contractors' obligations authorized by this subdivision are made available exclusively for the benefit of agricultural use on land other than excess land and are not directly or indirectly made available for the benefit of agricultural use on excess land.

For the purpose of this contract, the surcharge credit shall be determined and applied in the following manner:

(1) The Agency or any retail agency shall reduce the toll for each acre-foot of project water put to agricultural use on other than excess land by a surcharge credit which shall be determined by dividing the total amount of the surcharge collected by the agency in any year by the total number of acre-feet of project water put to agricultural use on other than excess land within the agency: *Provided,* That the surcharge credit shall not exceed two dollars ($2).

(2) For the purpose of preventing any reduction in the cost of project water put to use on excess land the tolls charged by the Agency or any retail agency for project water put to agricultural use on other than excess land shall be less than the tolls charged for project water put to use on excess land by an amount equal to the sum of the surcharge and the surcharge credit, and the Agency agrees not to take any action with respect to the taxing or assessment of property which will nullify or tend to nullify the differential in tolls required by this subdivision.

(3) In the event that a water user commingles project water with water from other sources or receives a commingled water supply from the Agency or a retail agency that has commingled project water with water from another source, the quantity of water upon which the surcharge credit is to be determined shall be the product of the amount of water used by the water user from the commingled supply and the ratio of the amount of project water in the commingled supply to the total amount of commingled water, from which product shall be subtracted the amount of project water, if any, for which the water user is required to make payment of a surcharge under the provisions of Article 30(e)(2) of this contract.

(4) Article 30(d) of this contract is modified to read as follows:

The Agency, to the extent that it delivers project water directly to the users thereof, shall require on behalf of the State that each such user on or before February 1 of each year, commencing with the year following the year of initial water delivery: (i) certify in writing to the Agency on forms prescribed and furnished by the State the description of the excess land owned by such user upon which project water is put to agricultural or manufacturing use, and the amount of project water put to agricultural or manufacturing use on such land during the preceding year: (ii) pay to the Agency for the account of the State a surcharge for the amount of water so certified; and (iii) certify in writing to the Agency on forms prescribed and furnished by the State the description of the land other than excess land owned by such user upon which project water is put to agricultural use, and the amount of project water put to agricultural use on such land during the preceding year. The Agency to the extent that it delivers project water to a retail agency or to another agency by, through, or under which such water is delivered to a retail agency, shall require on behalf of the State that each water user served by such retail agency be required to, on or before January 15 of each year, commencing with the year following the year of initial water delivery: (i) certify in writing to the retail agency on forms prescribed and furnished by the State the description of the excess land owned by such user upon which project water is put to agricultural or manufacturing use and the amount of project water put to agricultural or manufacturing use on such land during the preceding year; (ii) pay to the retail agency for the account of the State a surcharge for the amount of project water so certified; and (iii) certify in writing to the Agency on forms prescribed and furnished by the State the description of the land other than excess land owned by such user upon which project water is put to agricultural use, and the amount of project water put to agricultural use on such land during the preceding year. The Agency and retail agency shall be entitled to rely upon the certifications furnished them by water users pursuant to this subdivision, unless notified by the State as to the inaccuracy of any such certification. Payments made to the Agency pursuant to this subdivision, together with the certifications supporting such payments, shall be forwarded to the State on or before March 1 of the year in which they are received. Payments made to a retail agency pursuant to this subdivision, together with the certifications supporting such payments, shall on behalf of the State be required to be forwarded to the Agency, which shall in turn forward them to the State on or before March 1 of the year in which they are received; except that where project water has been delivered to the retail agency by, through, or under an agency or agencies other than the Agency, such payments and certifications shall on behalf of the State be required to be forwarded by the retail agency to the agency from which it received project water and by that agency, et seq., to the Agency, which shall forward them to the State on or before March 1 of the year in which they are received.

(5) Commencing with the year following the year of initial water delivery, the State shall include in the written statement of charges furnished to the Agency for the succeeding year a reduction of charges equal to the total amount of the surcharge credit to which water users within the Agency were entitled during the year preceding the year in which such statement is made. After receiving such statement, the Agency shall credit the accounts of or make refunds to the water users of one-half of the surcharge credit due them effective not later than February 1 of the succeeding year and the balance not later than August 1 of that year.

(6) The remedies provided in Article 30(g) of this contract shall also be available to the State for the enforcement of this subdivision as against any retail agency or other agency by, through, or under which project water is delivered to a retail agency, or any water user.

(7) Where project water is delivered by the Agency to a retail agency or to another agency by, through, or under which project water is delivered to a retail agency, the Agency shall include the provisions of this subdivision 45(d) in any such contract and shall require its inclusion by any such agency in contracts under which it furnishes water to other agencies to the end that such provisions shall be included in any contract through which project water is furnished to a retail agency.

(8) This subdivision 45(d) shall be separable from all other provisions in this contract, and in the event that any or all of the provisions of this subdivision are in any manner or to any extent held to be invalid by final judgment or decree of a court of competent jurisdiction, such holding and such invalidity shall in no way affect the validity of, or make invalid, any other provision of this contract.

TABLE A

ANNUAL ENTITLEMENTS
KERN COUNTY WATER AGENCY

Year	Total Annual Amount in Thousands of Acre-feet
1	87.0
2	95.7
3	145.1
4	159.6
5	232.3
6	264.5
7	293.3
8	324.1
9	363.8
10	406.9
11	449.9
12	491.9
13	534.8
14	584.0
15	630.2
16	682.4
17	730.2
18	776.9
19	822.5
20	870.1
21	921.2
22	958.9
23	1,000.0
and each succeeding year thereafter, for the term of this contract as a Maximum Annual Entitlement:	1,000.0

TABLE H

PROJECT TRANSPORTATION FACILITIES
KERN COUNTY WATER AGENCY

A San Joaquin Valley–Southern California Aqueduct extending to the North Portal of Tehachapi Tunnel No. 1, to the extent such aqueduct is determined by the State to be required for water transportation.

A Coastal Aqueduct extending to the Discharge Pumping Plant C-4 to the extent such Aqueduct is determined by the State to be required for water transportation.

TABLE I

AQUEDUCT REACHES
KERN COUNTY WATER AGENCY

Aqueduct Reach	Major Features of Reach
Delta to Discharge Delta Pumping Plant:	Intake Canal Fish Protective Facilities Delta Pumping Plant (Pumping Plant I)
Discharge Delta Pumping Plant to San Luis Forebay:	Aqueduct
San Luis Forebay:	San Luis Forebay and Forebay Dam
San Luis Forebay to Kettleman City:	Aqueduct Mile 18 Pumping Plant
Kettleman City to Avenal Gap:	Aqueduct
Avenal Gap to Buena Vista Pumping Plant:	Aqueduct
Buena Vista Pumping Plant to Wheeler Ridge Pumping Plants I and II:	Buena Vista Pumping Plant Aqueduct
Wheeler Ridge Pumping Plants I and II to Tehachapi Pumping Plant:	Wheeler Ridge Pumping Plant I Wheeler Ridge Pumping Plant II Aqueduct
Tehachapi Pumping Plant to North Portal Tehachapi Tunnel No. 1:	Tehachapi Pumping Plant (Pumping Plant VI)
COASTAL AQUEDUCT	
Avenal Gap to Discharge Avenal Pumping Plant:	Aqueduct Avenal Pumping Plant (Pumping Plant C-3)
Discharge Avenal Pumping Plant to Pyramid Pumping Plant:	Aqueduct
Pyramid Pumping Plant:	Pyramid Pumping Plant (Pumping Plant C-4)

IN WITNESS WHEREOF, the parties hereto have executed this contract on the date first above written.

Approved as to legal form and sufficiency:

J. G. Bourne
Chief Counsel
Department of Water
P. O. Box 388
Sacramento, California

Attest:

Edna M. Isbourne
Secretary
Kern County Water Agency
1100 26th Street
Bakersfield, California

Approved as to form:

Stanley W. Fronick
Counsel

Approved:

Dal Ogilvie
Engineer-Manager

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

By William E. Warne
Director

Edmund G. Brown
Governor

KERN COUNTY WATER AGENCY

By David W. Bryant Jr.
President

By Allen Bottorff
Director

By Jack G. Thomson
Director

By Robert Curran
Director

By Pete Tumbulo
Director

By Kenneth M. Smith
Director

By _____
Director

STATE OF CALIFORNIA

DEPARTMENT OF WATER RESOURCES

AMENDMENT NO. 1 TO WATER SUPPLY
CONTRACT BETWEEN THE STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES AND
KERN COUNTY WATER AGENCY

THIS CONTRACT, made this 28th day of September, 1964, pursuant to the provisions of the California Water Resources Development Bond Act, the State Central Valley Project Act, and other applicable laws of the State of California, between the State of California, acting by and through its Department of Water Resources, herein referred to as the "State," and Kern County Water Agency, a public agency in the State of California, duly organized, existing, and acting pursuant to the laws thereof with its principal place of business in Bakersfield, California, herein referred to as the "Agency,"

WITNESSETH, That:

WHEREAS, the State is authorized to construct and operate facilities for the storage and conveyance of water, certain of which facilities will make water available to the Agency; and

WHEREAS, the State and the Agency have entered into a water supply contract, dated November 15, 1963, providing that the State shall supply certain quantities of water to the Agency, and providing that the Agency shall make certain payments to the State, and setting forth the terms and conditions of such supply and such payment; and

WHEREAS, the maximum annual entitlements under all contracts executed by the State on or before December 31, 1963, did not aggregate the amount of the minimum project yield as defined in such water supply contract; and

WHEREAS, the Agency has elected to become entitled to a certain amount of the uncontracted for portion of the minimum project yield under the provisions of Article 8 of the above-mentioned contract and the State has determined that the Agency can put the water involved to beneficial use within a reasonable period of time; and

WHEREAS, the State and the Agency are desirous of making certain other changes and additions to such contract, while otherwise continuing the contract in full force and effect;

NOW THEREFORE, it is mutually agreed that the following changes and additions are hereby made to the Agency's water supply contract with the State:

1. Subdivision (k) of Article 1 is amended to read as follows:

(k) Minimum Project Yield

"Minimum project yield" shall mean the dependable annual supply of project water to be made available, estimated to be 4,230,000 acre-feet per year, said amount to be determined by the State on the basis of coordinated operation studies of initial project conservation facilities and additional project conservation facilities, which studies shall be based upon:

(1) The estimated relative proportion of deliveries for agricultural use to deliveries for municipal use for the year

1990, and the characteristic distributions of demands for these two uses throughout the year.

(2) An allowable reduction in the agricultural use portion of the minimum project yield, due to drought, of not to exceed fifty percent (50%) in any one year, nor a total of one hundred percent (100%) of one year's supply in any series of seven consecutive years.

(3) Agreements now in effect or as hereafter amended or supplemented between the State and the United States and others regarding the diversion or utilization of waters of the Delta or streams tributary thereto.

2. Table A entitled "Annual Entitlements Kern County Water Agency" is amended to read as follows:

TABLE A

ANNUAL ENTITLEMENTS
KERN COUNTY WATER AGENCY

Year	Total Annual Amount in Acre-feet
1	87,000
2	95,700
3	145,100
4	190,300
5	270,700
6	310,500
7	347,000
8	385,500
9	432,800
10	483,600
11	534,300
12	583,900
13	634,500
14	691,400
15	745,300
16	805,100
17	860,600
18	915,000
19	968,200
20	1,023,500
21	1,074,600
22	1,112,300
23	1,153,400
And each succeeding year thereafter, for the term of this contract:	1,153,400

3. Subdivision (c) of Article 12 is amended to read as follows:

(c) Limit on Rate of Delivery to Agency

In no event shall the State be obligated to deliver water to the Agency through all delivery structures at a total combined instantaneous rate of flow exceeding three thousand two hundred seventy seven (3,277) cubic feet per second, except as this rate of flow may be revised by amendment of this article after

submission to the State of the Agency's requests with respect to maximum flow capacities to be provided in said delivery structures, pursuant to Article 10.

4. Subdivision (a) of Article 16 is amended to read as follows:

(a) Limit on Total of all Maximum Annual Entitlements

The Agency's maximum annual entitlement hereunder, together with the maximum annual entitlements of all other contractors, shall aggregate no more than the minimum project yield as defined herein and in no event more than 4,230,000 acre-feet of project water.

5. Subdivision (c) of Article 45 is amended to read as follows:

(c) Surplus Water

Notwithstanding other provisions of this contract, surplus water for agricultural and ground water replenishment use shall be offered to contractors on the following basis. Before surplus water is sold for other than agricultural and ground water replenishment use, each contractor shall have the right, subject to the ability of the State to deliver such water and to the provisions of the next succeeding paragraph, to contract for agricultural and ground water replenishment use for a portion of the total amount of surplus water available in any year, in an amount which bears the same ratio to the total amount of surplus water available in that year as the sum of the annual entitlements set forth in Table A of this contract, delivered to the contractor for agricultural and ground water replenishment use during the preceding three years bears to the total amount of such annual

entitlements delivered for agricultural and ground water replenishment use during the preceding three years of all contractors requesting surplus water: Provided, That if its proportion of such surplus water is not required by or cannot be delivered to any contractor, such amount of additional surplus water shall be offered to other contractors for agricultural and ground water replenishment use. During the first three years in which project water is delivered to a contractor, the State shall determine the amount of surplus water which the contractor may obtain based on the contractor's maximum annual entitlement and the estimated percentage of its annual entitlement to be delivered for agricultural and ground water replenishment use; but quantities so determined shall not exceed the contractor's annual entitlement for that year. For the purpose of computing the portion of the surplus water for agricultural and ground water replenishment use to which each contractor is entitled, the State shall determine the amounts of water used for agricultural and ground water replenishment use by each contractor in each year: Provided, That each contractor shall furnish certified copies of such records and data concerning the use of water within its boundaries as the State may request.

The provisions of this paragraph shall be applicable only to contractors in the San Joaquin Valley Service Area, contractors in the Southern California Service Area, and contractors in the Central Coastal Service Area. Before surplus water is sold for other than agricultural and ground water replenishment use, each such contractor shall have the right, subject to the ability of the State to deliver such water, to contract for agricultural

and ground water replenishment use in accordance with the following formula: contractors in the San Joaquin Valley Service Area shall have a right to contract for sixty-nine percent (69%) of the surplus water available at the Mile 18 Pumping Plant; contractors in the Southern California Service Area shall have a right to contract for twenty-nine percent (29%) of such water; and contractors in the Central Coastal Service Area shall have a right to contract for two percent (2%) of such water: Provided, That within each of these service areas, each contractor shall have the right to contract for agricultural and ground water replenishment use for a portion of the total amount of surplus water available to that service area in any year, in an amount which bears the same ratio to the total amount of surplus water available to the service area in that year as the sum of the annual entitlements, set forth in Table A of this contract, delivered to the contractor for agricultural and ground water replenishment use during the preceding three years bears to the total amount of such annual entitlements delivered for agricultural and ground water replenishment use during the preceding three years of all contractors in that service area requesting surplus water: Provided, further, That if its proportion of such surplus water is not required by or cannot be delivered to any contractor, such amount of additional surplus water shall be offered to other contractors for agricultural and ground water replenishment use. During the first three years in which project water is delivered to a contractor, the State shall determine the amount of surplus water which the contractor may obtain based on the contractor's maximum annual entitlement and the estimated percentage of its annual entitlement

to be delivered for agricultural and ground water replenishment use; but quantities so determined shall not exceed the contractor's annual entitlement for that year. As used in this paragraph, "contractors in the San Joaquin Service Area" shall mean: Devil's Den Water District, Dudley Ridge Water District, Empire West Side Irrigation District, Hacienda Water District, Kern County Water Agency, and Tulare Lake Basin Water Storage District; "contractors in the Southern California Service Area" shall mean: Antelope Valley-East Kern Water Agency, City of West Covina, Coachella Valley County Water District, Crestline-Lake Arrowhead Water Agency, Desert Water Agency, Littlerock Creek Irrigation District, Mojave Water Agency, Palmdale Irrigation District, San Bernardino Valley Municipal Water District, San Gabriel Valley Municipal Water District, San Gorgonio Pass Water Agency, The Metropolitan Water District of Southern California, Upper Santa Clara Valley Water Agency, and Ventura County Flood Control District; "contractors in the Central Coastal Service Area" shall mean: San Luis Obispo County Flood Control and Water Conservation District and Santa Barbara County Flood Control and Water Conservation District.

The provision of this paragraph shall be applicable only to a contractor to which the delivery of project water for municipal use as of 1990 is estimated by the State to be in excess of fifty percent (50%) of such contractor's maximum annual entitlement. For the purpose of fixing such contractor's right to delivery of surplus water, water from a watershed not tributary to the

contractor's area which is delivered within the contractor's boundaries for agricultural or ground water replenishment use shall be deemed to be part of the contractor's annual entitlement delivered for such use in computing the quantity of surplus water to which the contractor is entitled under this subdivision: Provided, That the contractor shall not be deemed to have used more than its annual entitlement, as set forth in Table A, for such use. Surplus water shall be deemed to be used by the contractor for agricultural or ground water replenishment use if an equal quantity of water imported from a watershed not tributary to the contractor's area is delivered within the contractor's boundaries for such use.

In providing for the delivery of surplus water to contractors pursuant to this subdivision, the State shall refuse to deliver such surplus water to any contractor to the extent that the State determines that such delivery would tend to encourage the development of an economy within the area served by such contractor which would be dependent upon the sustained delivery of water in excess of the contractor's maximum annual entitlement. In no event shall the quantity of surplus water made available in any year prior to 1986 to any contractor under this subdivision exceed the difference between its annual entitlement for that year and its maximum annual entitlement, except that, subject to provisions of the immediately preceding sentence, with respect to any contractor which under Table A of its contract is scheduled to receive its maximum annual entitlement prior to 1978, the

quantity of surplus water made available in any year prior to 1986 under this subdivision may exceed such difference by not more than 3,000 acre-feet.

Surplus water for agricultural and ground water replenishment use shall be furnished at prices which will return to the State the variable operation, maintenance, power, and replacement components of the Delta Water Charge and Transportation Charge incurred in such service of surplus water as determined by the State. Surplus water delivered under this subdivision shall be limited to the quantity of water which can be delivered without adversely affecting the reliability, or increasing the cost, of service to meet annual entitlements. A surcharge shall be added to the rate for surplus water furnished to excess land in an amount and under the conditions specified in Article 30 of this contract. Contracts made pursuant to this subdivision may exceed one year in duration.

Except as herein modified, the provisions of Article 21 of this contract are hereby confirmed, and all surplus water not specifically allocated pursuant to this subdivision shall be sold under the provisions of Article 21. Nothing in this subdivision shall limit the right of the Agency to increase its annual entitlements as otherwise provided in this contract.

As used in this subdivision "ground water replenishment use" shall mean the use of project water exclusively by direct application to spreading basins, streambeds, or through other means of direct artificial recharge for the purpose of replenishing overdrawn ground water basins.

6. Within thirty (30) days of the date of execution of this amendment, the Agency shall submit this amendment to a court of competent jurisdiction for determination of its validity by a proceeding in mandamus or other appropriate proceeding or action, which proceeding or action shall be diligently prosecuted to final decree or judgment.

IN WITNESS WHEREOF, the parties hereto have executed this contract on the date first above written.

Approved as to legal form and sufficiency:

Chief Counsel
Department of Water
P. O. Box 388
Sacramento, California

Attest:

Secretary
Kern County Water Agency
1100 - 26th Street
Bakersfield, California

Approved as to form:

Counsel

Approved:

Engineer-Manager

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

By _____
Director

KERN COUNTY WATER AGENCY

By _____
President

By _____
Director

By _____
Director

By _____
Director

By _____
Director

By _____
Director

By _____
Director

LITTLEROCK CREEK IRRIGATION DISTRICT

Location and Size

The Littlerock Creek Irrigation District is situated in the southern part of the Antelope Valley about 10 miles east of the city of Palmdale and 40 miles northeasterly of the city of Los Angeles. The District, as of July 1, 1964, had an area of about 11,300 acres and an estimated population of 1,300.

Water Supply and Utilization

The existing water supply comes from both surface water and pumping from the underlying ground water basins. The major use of water in the District is for irrigated agriculture but by 1990 it is estimated that the major use will be for municipal and industrial purposes.

Items of Contract Information Unique to Agency

Date of Contract - Preamble

June 22, 1963

Agency's Principal Place of Business - Preamble

Littlerock

Estimated Year of Initial Water Delivery - Article 6(a)

1972

Date of Request as to Delivery Structures - Article 10(b)

June 30, 1963

Limit on Instantaneous Rate of Delivery - Article 12(c)

3 cfs (Increased by Amendment No. 2 to 3.5 cfs.)

NOTES AND COMMENTS

E. SPECIAL PROVISIONS AND TABLES

45. SPECIAL PROVISIONS

(a) On or before June 30, 1963, the Agency shall furnish to the State its written request specifying the year in which the first delivery of project water from the East Branch Aqueduct as defined in Table H of this contract shall be made to the Agency. The timing of first deliveries of project water from said Branch Aqueduct shall be as so requested by the Agency: *Provided*, That in the event said request is, in the judgment of the State, incompatible with similar requests received from other contractors to be served from or through said Branch Aqueduct, which contractors have executed contracts with the State on or before June 30, 1963, the timing of first deliveries of project water to the Agency and such other contractors from said Branch Aqueduct shall be as established by mutual agreement among the State, the Agency, and said contractors: *Provided further*, That if such agreement has not been reached on or before December 31, 1963, the State may then construct said Branch Aqueduct in accordance with such construction schedules as, in the judgment of the State, will best serve the interests of all those contractors whose service areas are located south of the South Portal of the Tehachapi Tunnels and which have executed contracts with the State on or before June 30, 1963.

(b) The State shall provide sufficient capacity in the transportation facilities to deliver the Agency's Maximum Annual Entitlement at a continuous flow subject to the provisions of Article 17(b). No capacity shall be provided for peaking.

(c) The annexations to the Agency, authorized by Resolution No. 63 of the Board of Directors of the Agency dated April 19, 1963, are deemed to be approved by the department within the meaning of Article 15(b) and are generally described as the Southwest Annexation, comprising approximately 12 square miles, situated southerly and westerly of the Agency.

(d) Notwithstanding the provisions of Article 2, this contract shall not become effective until approved by the District Securities Commission.

TABLE A

ANNUAL ENTITLEMENTS
LITTLEROCK CREEK IRRIGATION DISTRICT

Year	Total annual amount in acre-feet
1	150
2	250
3	350
4	450
5	560
6	630
7	800
8	900
9	1,000
10	1,100
11	1,200
12	1,300
13	1,400
14	1,500
15	1,600
16	1,700
17	1,800
18	1,900
19 and each succeeding year thereafter, for the term of this contract as a Maximum Annual Entitlement:	2,000
	2,000

TABLE H

PROJECT TRANSPORTATION FACILITIES
LITTLEROCK CREEK IRRIGATION DISTRICT

A San Joaquin Valley–Southern California Aqueduct extending to Littlerock Creek on the East Branch Aqueduct defined below, to the extent such aqueduct is determined by the State to be required for water transportation.

> ***"East Branch Aqueduct"*** shall mean that portion of the San Joaquin Valley–Southern California Aqueduct specified in Section 12934(d) (2) of the Water Code extending from the Junction of East and West Branches to a terminus in the vicinity of Perris, Riverside County.

TABLE I

AQUEDUCT REACHES
LITTLEROCK CREEK IRRIGATION DISTRICT

Aqueduct Reach	Major Features of Reach
Delta to Discharge Delta Pumping Plant:	Intake Canal Fish Protective Facilities Delta Pumping Plant (Pumping Plant I)
Discharge Delta Pumping Plant to San Luis Forebay:	Aqueduct
San Luis Forebay:	San Luis Forebay and Forebay Dam
San Luis Forebay to Kettleman City:	Aqueduct Mile 18 Pumping Plant
Kettleman City to Avenal Gap:	Aqueduct
Avenal Gap to Buena Vista Pumping Plant:	Aqueduct
Buena Vista Pumping Plant to Wheeler Ridge Pumping Plants I and II:	Buena Vista Pumping Plant Aqueduct
Wheeler Ridge Pumping Plants I and II to Tehachapi Pumping Plant:	Wheeler Ridge Pumping Plant I Wheeler Ridge Pumping Plant II Aqueduct
Tehachapi Pumping Plant to South Portal Tehachapi Tunnels:	Tehachapi Pumping Plant (Pumping Plant VI) Tehachapi Tunnels
South Portal Tehachapi Tunnels to Junction, East and West Branches:	Cottonwood Power Plant Aqueduct
EAST BRANCH	
Junction, East and West Branches to Little Rock Creek:	Aqueduct

IN WITNESS WHEREOF, the parties hereto have executed this contract on the date first above written.

Approved as to legal form and sufficiency:

For _____
Chief Counsel
Department of Water Resources
P.O. Box 388
Sacramento, California

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

_____
Director

Attest:

_____
Secretary
Littlerock Creek Irrigation District
P.O. Box 188
Littlerock, California

LITTLEROCK CREEK IRRIGATION DISTRICT

By _____
President

Approved as to form and execution:

By _____
Director

_____
Counsel

By _____
Director

STATE OF CALIFORNIA

DEPARTMENT OF WATER RESOURCES

AMENDMENT NO. 1 TO WATER SUPPLY
CONTRACT BETWEEN THE STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES AND
LITTLEROCK CREEK IRRIGATION DISTRICT

THIS CONTRACT, made this 15th day of November, 1963, pursuant to the provisions of the California Water Resources Development Bond Act, the State Central Valley Project Act, and other applicable laws of the State of California, between the State of California, acting by and through its Department of Water Resources, herein referred to as the "State," and Littlerock Creek Irrigation District, a public agency in the State of California, duly organized, existing, and acting pursuant to the laws thereof with its principal place of business in Littlerock, California, herein referred to as the "Agency,"

WITNESSETH, That:

WHEREAS, the State is authorized to construct and operate facilities for the storage and conveyance of water, certain of which facilities will make water available to the Agency; and

WHEREAS, the State and the Agency have entered into a water supply contract, dated June 22, 1963, providing that the State shall supply certain quantities of water to the Agency, and providing that the Agency shall make certain payments to the State, and setting forth the terms and conditions of such supply and such payment; and

WHEREAS, the State and the Agency are desirous of making certain changes and additions to the above-mentioned contract, while otherwise continuing the contract in full force and effect;

NOW THEREFORE, it is mutually agreed that the following changes and additions are hereby made to the Agency's water supply contract with the State:

Article 46 is added to the contract to read as follows:

46. Amendatory Provisions

a. Surplus Water

Notwithstanding other provisions of this contract, surplus water for agricultural and ground water replenishment use shall be offered to contractors on the following basis. Before surplus water is sold for other than agricultural and ground water replenishment use, each contractor shall have the right, subject to the ability of the State to deliver such water, to contract for agricultural and ground water replenishment use for a portion of the total amount of surplus water available in any year, in an amount which bears the same ratio to the total amount of surplus water available in that year as the sum of the annual entitlements delivered to the contractor for agricultural and ground water replenishment use during the preceding three years bears to the total amount of the annual entitlements delivered for agricultural and ground water replenishment use during the preceding three years of all contractors requesting surplus water: Provided, That if its proportion of such surplus water is not required by or cannot be delivered to any contractor, such amount of additional surplus water shall be offered to other contractors for agricultural and

ground water replenishment use. During the first three years in which project water is deliver to a contractor, the State shall determine the amount of surplus water which the contractor may obtain based on the contractor's maximum annual entitlement and the estimated percentage of its annual entitlement to be delivered for agricultural and ground water replenishment use; but quantities so determined shall not exceed the contractor's annual entitlement for that year. For the purpose of computing the portion of the surplus water for agricultural and ground water replenishment use to which each contractor is entitled, the State shall determine the amounts of water used for agricultural and ground water replenishment use by each contractor in each year: Provided, That each contractor shall furnish certified copies of such records and data concerning the use of water within its boundaries as the State may request.

Surplus water for agricultural and ground water replenishment use shall be furnished at prices which will return to the State the variable operation, maintenance, power, and replacement components of the Delta Water Charge and Transportation Charge incurred in such service of surplus water as determined by the State A surcharge shall be added to the rate for surplus water furnished to excess land in an amount and under the conditions specified in Article 30 of this contract. Contracts made pursuant to this subdivision may exceed one year in duration.

Except as herein modified, the provisions of Article 21 of this contract are hereby confirmed, and all surplus water not specifically allocated pursuant to this subdivision shall be sold

under the provisions of Article 21.

As used in this subdivision "ground water replenishment use" shall mean the use of project water exclusively by direct application to spreading basins, streambeds, or through other means of direct artificial recharge for the purpose of replenishing overdrawn ground water basins.

b. Surcharge Credit

Notwithstanding other provisions of this contract, the State may include provisions in water supply contracts allowing a credit to a contractor not to exceed the surcharge to be paid by such contractor: Provided, That such credit shall be utilized to reduce the cost of water for agricultural use on other than excess land at a uniform rate per acre-foot not to exceed two dollars ($2) per acre-foot. Any contract including provisions pursuant to this subdivision shall assure that the reductions in the contractors' obligations authorized by this subdivision are made available exclusively for the benefit of agricultural use on land other than excess land and are not directly or indirectly made available for the benefit of agricultural use on excess land.

IN WITNESS WHEREOF, the parties hereto have executed this contract on the date first above written.

Approved as to legal form and sufficiency:

Chief Counsel
Department of Water Resources

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

By _____
Director

Attest:

Secretary
Littlerock Creek Irrigation District
P. O. Box 188
Littlerock, California

LITTLEROCK CREEK IRRIGATION DISTRICT

By _____
President

By _____

Approved as to form and execution:

Counsel

STATE OF CALIFORNIA

DEPARTMENT OF WATER RESOURCES

AMENDMENT NO. 2 TO WATER SUPPLY
CONTRACT BETWEEN THE STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES AND
LITTLEROCK CREEK IRRIGATION DISTRICT

THIS CONTRACT, made this 28th day of September, 1964, pursuant to the provisions of the California Water Resources Development Bond Act, the State Central Valley Project Act, and other applicable laws of the State of California, between the State of California, acting by and through its Department of Water Resources, herein referred to as the "State," and Littlerock Creek Irrigation District, a public agency in the State of California, duly organized, existing, and acting pursuant to the laws thereof with its principal place of business in Littlerock, California, herein referred to as the "Agency,"

WITNESSETH, That:

WHEREAS, the State is authorized to construct and operate facilities for the storage and conveyance of water, certain of which facilities will make water available to the Agency; and

WHEREAS, the State and the Agency have entered into a water supply contract, dated June 22, 1963, as amended November 15, 1963, providing that the State shall supply certain quantities of water to the Agency, and providing that the Agency shall make certain payments to the State, and setting forth the terms and conditions of such supply and such payment; and

WHEREAS, the maximum annual entitlements under all contracts executed by the State on or before December 31, 1963, did not aggregate the amount of the minimum project yield as defined in such water supply contract; and

WHEREAS, the Agency has elected to become entitled to a certain amount of the uncontracted for portion of the minimum project yield under the provisions of Article 8 of the above-mentioned contract and the State has determined that the Agency can put the water involved to beneficial use within a reasonable period of time; and

WHEREAS, the State and the Agency are desirous of making certain other changes and additions to such contract, while otherwise continuing the contract in full force and effect;

NOW THEREFORE, it is mutually agreed that the following changes and additions are hereby made to the Agency's water supply contract with the State:

1. Subdivision (k) of Article 1 is amended to read as follows:

(k) Minimum Project Yield

"Minimum project yield" shall mean the dependable annual supply of project water to be made available, estimated to be 4,230,000 acre-feet per year, said amount to be determined by the State on the basis of coordinated operation studies of initial project conservation facilities and additional project conservation facilities, which studies shall be based upon:

(1) The estimated relative proportion of deliveries for agricultural use to deliveries for municipal use for the year

1990, and the characteristic distributions of demands for these two uses throughout the year.

(2) An allowabae reduction in the agricultural use portion of the minimum project yield, due to drought, of not to exceed fifty percent (50%) in any one year, nor a total of one hundred percent (100%) of one year's supply in any series of seven consecutive years.

(3) Agreements now in effect or as hereafter amended or supplemented between the State and the United States and others regarding the diversion or utilization of waters of the Delta or streams tributary thereto.

2. Table A of the contract entitled "Annual Entitlements Littlerock Creek Irrigation District" is amended to read as follows:

TABLE A

ANNUAL ENTITLEMENTS
LITTLEROCK CREEK IRRIGATION DISTRICT

Year	Total Annual Amount in Acre-feet
1	170
2	290
3	400
4	520
5	640
6	730
7	920
8	1,040
9	1,150
10	1,270
11	1,380
12	1,500
13	1,610
14	1,730
15	1,840
16	1,960
17	2,070
18	2,190
19	2,300
And each succeeding year thereafter, for the term of this contract:	2,300

3. Subdivision (c) of Article 12 is amended to read as follows:

(c) Limit on Rate of Delivery to Agency

In no event shall the State be obligated to deliver water to the Agency through all delivery structures at a total combined instanteous rate of flow exceeding three and one half (3.5 cubic feet per second, except as this rate of flow may be revised by amendment of this article after submission to the State of the Agency's requests with respect to maximum flow capacities to be provided in said delivery structures, pursuant to Article 10.

4. Subdivision (a) of Article 16 is amended to read as as follows:

(a) Limit on Total of All Maximum Annual Entitlements

The Agency's maximum annual entitlement hereunder, together with the maximum annual entitlements of all other contractors, shall aggregate no more than the minimum project yield as defined herein and in no event more than 4,230,000 acre-feet of project water.

5. Article 46 is amended to read as follows:

46. Amendatory Provisions

(a) Surplus Water

Notwithstanding other provisions of this contract, surplus water for agricultural and ground water replenishment use shall be offered to contractors on the following basis. Before surplus water is sold for other than agricultural and ground water replenishment use, each contractor shall have the right, subject to the ability of the State to deliver such water and to the provisions of the next succeeding paragraph, to contract for agricultural and ground water replenishment use for a portion of the total amount of surplus water available in any year, in an amount which bears the same ratio to the total amount of surplus water available in that year as the sum of the annual entitlements, set forth in Table A of this contract, delivered to the contractor for agricultural and ground water replenishment use during the preceding three years bears to the total amount of such annual entitlements delivered for agricultural and ground water replenishment use during the preceding three years of all contractors requesting surplus water: Provided, That if its proportion of such surplus water is not required by or cannot be delivered to

any contractor, such amount of additional surplus water shall be offered to other contractors for agricultural and ground water replenishment use. During the first three years in which project water is delivered to a contractor, the State shall determine the amount of surplus water which the contractor may obtain based on the contractor's maximum annual entitlement and the estimated percentage of its annual entitlement to be delivered for agricultural and ground water replenishment use; but quanitites so determined shall not exceed the contractor's annual entitlement for that year. For the purpose of computing the portion of the surplus water for agricultural and ground water replenishment use to which each contractor is entitled, the State shall determine the amounts of water used for agricultural and ground water replenishment use by each contractor in each year: Provided, That each contractor shall furnish certified copies of such records and data concerning the use of water within its boundaries as the State may request.

The provisions of this paragraph shall be applicable only to contractors in the San Joaquin Valley Service Area, contractors in the Southern California Service Area, and contractors in the Central Coastal Service Area. Before surplus water is sold for other than agricultural and ground water replenishment use, each such contractor shall have the right, subject to the ability of the State to deliver such water, to contract for agricultural and ground water replenishment use in accordance with the following formula: contractors in the San Joaquin Valley Service Area shall have a right to contract for sixty-nine percent (69%) of the surplus water available at the Mile 18 Pumping Plant;

contractors in the Southern California Service Area shall have a right to contract for twenty-nine percent (29%) of such water; and contractors in the Central Coastal Service Area shall have a right to contract for two percent (2%) of such water: Provided, That within each of these service areas, each contractor shall have the right to contract for agricultural and ground water replenishment use for a portion of the total amount of surplus water available to that service area in any year, in an amount which bears the same ratio to the total amount of surplus water available to the service area in that year as the sum of the annual entitlements, set forth in Table A of this contract, delivered to the contractor for agricultural and ground water replenishment use during the preceding three years bears to the total amount of such annual entitlements delivered for agricultural and ground water replenishment use during the preceding three years of all contractors in that service area requesting surplus water: Provided, further, That if its proportion of such surplus water is not required by or cannot be delivered to any contractor, such amount of additional surplus water shall be offered to other contractors for agricultural and ground water replenishment use. During the first three years in which project water is delivered to a contractor, the State shall determine the amount of surplus water which the contractor may obtain based on the contractor's maximum annual entitlement and the estimated percentage of its annual entitlement to be delivered for agricultural and ground water replenishment use; but quantities so determined shall not exceed the contractor's annual entitlement for that year. As used in this paragraph, "contractors in the

San Joaquin Service Area" shall mean: Devil's Den Water District, Dudley Ridge Water District, Empire West Side Irrigation District, Hacienda Water District, Kern County Water Agency, and Tulare Lake Basin Water Storage District; "contractors in the Southern California Service Area" shall mean: Antelope Valley-East Kern Water Agency, City of West Covina, Coachella Valley County Water District, Crestline-Lake Arrowhead Water Agency, Desert Water Agency, Littlerock Creek Irrigation District, Mojave Water Agency, Palmdale Irrigation District, San Bernardino Valley Municipal Water District, San Gabriel Valley Municipal Water District, San Gorgonio Pass Water Agency, The Metropolitan Water District of Southern California, Upper Santa Clara Valley Water Agency, and Ventura County Flood Control District; "contractors in the Central Coastal Service Area" shall mean: San Luis Obispo County Flood Control and Water Conservation District and Santa Barbara County Flood Control and Water Conservation District.

The provision of this paragraph shall be applicable only to a contractor to which the delivery of project water for municipa use as of 1990 is estimated by the State to be in excess of fifty percent (50%) of such contractor's maximum annual entitlement. For the purpose of fixing such contractor's right to delivery of surplus water, water from a watershed not tributary to the contractor's area which is delivered within the contractor's boundaries for agricultural or ground water replenishment use shall be deemed to be part of the contractor's annual entitlement delivered for such use in computing the quantity of surplus water

to which the contractor is entitled under this subdivision: Provided, That the contractor shall not be deemed to have used more than its annual entitlement, as set forth in Table A, for such use. Surplus water shall be deemed to be used by the contractor for agricultural or ground water replenishment use if an equal quantity of water imported from a watershed not tributary to the contractor's area is delivered within the contractor's boundaries for such use.

In providing for the delivery of surplus water to contractors pursuant to this subdivision, the State shall refuse to deliver such surplus water to any contractor to the extent that the State determines that such delivery would tend to encourage the development of an economy within the area served by such contractor which would be dependent upon the sustained delivery of water in excess of the contractor's maximum annual entitlement. In no event shall the quantity of surplus water made available in any year prior to 1986 to any contractor under this subdivision exceed the difference between its annual entitlement for that year and its maximum annual entitlement, except that, subject to provisions of the immediately preceding sentence, with respect to any contractor which under Table A of its contract is scheduled to receive its maximum annual entitlement prior to 1978, the quantity of surplus water made available in any year prior to 1986 under this subdivision may exceed such difference by not more than 3,000 acre-feet.

Surplus water for agricultural and ground water replenishment use shall be furnished at prices which will return to the

State the variable operation, maintenance, power, and replacement components of the Delta Water Charge and Transportation Charge incurred in such service of surplus water as determined by the State. Surplus water delivered under this subdivision shall be limited to the quantity of water which can be delivered without adversely affecting the reliability, or increasing the cost, of service to meet annual entitlements. A surcharge shall be added to the rate for surplus water furnished to excess land in an amount and under the conditions specified in Article 30 of this contract. Contracts made pursuant to this subdivision may exceed one year in duration.

Except as herein modified, the provisions of Article 21 of this contract are hereby confirmed, and all surplus water not specifically allocated pursuant to this subdivision shall be sold under the provisions of Article 21. Nothing in this subdivision shall limit the right of the Agency to increase its annual entitlements as otherwise provided in this contract.

As used in this subdivision "ground water replenishment use" shall mean the use of project water exclusively by direct application to spreading basins, streambeds, or through other means of direct artificial recharge for the purpose of replenishing overdrawn ground water basins.

(b) Surcharge Credit

Notwithstanding other provisions of this contract, the State may allow a credit to each contractor not to exceed the surcharge paid by such contractor.

For the purpose of this contract, the surcharge credit shall be determined and applied in the following manner:

(1) The State shall, in each year after the year of initial water delivery, allow a credit to the Agency in the amount of the surcharge forwarded by the Agency to the State in the preceding year.

(2) The Agency shall not establish water rates, or tax or assessment rates, so as to cause the surcharge credit to be passed on to water users in a manner which will bring about a greater reduction in the cost per acre-foot of project water put to use on excess land than such cost of project water put to use on other than excess land.

This subdivision 46(b) shall be separable from all other provisions in this contract, and in the event that any or all of the provisions of this subdivision are in any manner or to any extent held to be invalid by final judgment or decree of a court of competent jurisdication, such holding and such invalidity shall in no way affect the validity of, or make invalid, any other provision of this contract.

IN WITNESS WHEREOF, the parties hereto have executed this contract on the date first above written.

Approved as to legal form and sufficiency:

Chief Counsel
Department of Water Resources

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

By _____
Director

Approved as to form and execution:

LITTLEROCK CREEK IRRIGATION DISTRICT

By _____
President

BY _____
Secretary

MOJAVE WATER AGENCY

Location and Size

The Mojave Water Agency is located in the western half of San Bernardino County. The Agency, as of July 1, 1964, had an area of about 2,733,000 acres and an estimated population of 68,000.

Water Supply and Utilization

Water presently being used within the Agency is obtained from underlying ground water basins. In many areas an overdraft condition exists. The major water use in 1960 was for irrigated agriculture. Expected population increases will result in rapidly increasing urban water requirements. These requirements will be met with water imported from the State Water Project.

Items of Contract Information Unique to Agency

Date of Contract - Preamble

June 22, 1963

Agency's Principal Place of Business - Preamble

Victorville

Estimated Year of Initial Water Delivery - Article 6(a)

1972

Date of Request as to Delivery Structures - Article 10(b)

June 30, 1963

Limit on Instantaneous Rate of Delivery - Article 12(c)

80 cfs (Increased by Amendment No. 2 to 93 cfs.)

NOTES AND COMMENTS

E. SPECIAL PROVISIONS AND TABLES

45. SPECIAL PROVISIONS

(a) On or before June 30, 1963, the Agency shall furnish to the State its written request specifying the year in which the first delivery of project water from the East Branch Aqueduct as defined in Table H of this contract shall be made to the Agency. The timing of first deliveries of project water from said Branch Aqueduct shall be as so requested by the Agency: *Provided,* That in the event said request is, in the judgment of the State, incompatible with similar requests received from other contractors to be served from or through said Branch Aqueduct, which contractors have executed contracts with the State on or before June 30, 1963, the timing of first deliveries of project water to the Agency and such other contractors from said Branch Aqueduct shall be as established by mutual agreement among the State, the Agency, and said contractors: *Provided further,* That if such agreement has not been reached on or before December 31, 1963, the State may then construct said Branch Aqueduct in accordance with such construction schedules as, in the judgment of the State, will best serve the interests of all those contractors whose service areas are located south of the South Portal of the Tehachapi Tunnels and which have executed contracts with the State on or before June 30, 1963.

(b) The State shall provide sufficient capacity in the transportation facilities, subject to the provisions of Article 17(b), to deliver 11 percent of the Agency's annual entitlement in each of four months in each year. Subject to the foregoing limitation, in scheduling deliveries under Article 12(a) the State will provide for up to 1/9 of the Agency's annual entitlement to be delivered in excess of a rate of 8 1/3 percent of the annual entitlement per month.

(c) The annexations to the Agency of the territory included within the boundaries of the Morongo Valley Community Services District authorized to be annexed by Resolution No. 44–63 of the Board of Directors of the Agency dated April 16, 1963, and of the territory authorized to be annexed by Resolution No. 45–63 of the Board of Directors of the Agency dated April 16, 1963, described in such resolution as the Yucca-Joshua Tree Valley territory and consisting of approximately 16,320 acres, are deemed to be approved by the department within the meaning of Article 15(b).

(d) If the Morongo Valley Community Services District is annexed prior to December 1, 1964, to a contractor other than the Agency, and such contractor's annual entitlements and maximum annual entitlement are increased on account of such annexation, the annual entitlements and maximum annual entitlement of the Agency shall be reduced by the amounts of such increases: *Provided,* that the Agency's maximum annual entitlement shall not be reduced by more than 1,500 acre-feet.

(e) If the Yucca-Joshua Tree Valley territory, authorized to be annexed by Resolution No. 45–63 of the Board of Directors of the Agency dated April 16, 1963, is annexed prior to December 1, 1964, to a contractor other than the Agency, and such contractor's annual entitlements and maximum annual entitlement are increased on account of such annexation, the annual entitlements and maximum annual entitlement of the Agency shall be reduced by the amounts of such increases: *Provided,* that the Agency's maximum annual entitlement shall not be reduced by more than 1,500 acre-feet.

TABLE A

ANNUAL ENTITLEMENTS
MOJAVE WATER AGENCY

Year	Total annual amount In acre-feet
1	8,000
2	10,000
3	12,000
4	14,000
5	16,000
6	18,000
7	20,000
8	22,000
9	24,000
10	26,000
11	28,000
12	30,000
13	32,000
14	34,000
15	36,000
16	38,000
17	40,000
18	42,000
19	44,000
and each succeeding year thereafter, for the term of this contract as a Maximum Annual Entitlement:	44,000

TABLE H

PROJECT TRANSPORTATION FACILITIES
MOJAVE WATER AGENCY

A San Joaquin Valley–Southern California Aqueduct extending to Cedar Springs Reservoir on the East Branch Aqueduct defined below, to the extent such aqueduct is determined by the State to be required for water transportation.

> ***"East Branch Aqueduct"*** shall mean that portion of the San Joaquin Valley–Southern California Aqueduct specified in Section 12934(d) (2) of the Water Code extending from the Junction of East and West Branches to a terminus in the vicinity of Perris, Riverside County.

TABLE I

AQUEDUCT REACHES
MOJAVE WATER AGENCY

Aqueduct Reach	Major Features of Reach
Delta to Discharge Delta Pumping Plant:	Intake Canal Fish Protective Facilities Delta Pumping Plant (Pumping Plant I)
Discharge Delta Pumping Plant to San Luis Forebay:	Aqueduct
San Luis Forebay:	San Luis Forebay and Forebay Dam
San Luis Forebay to Kettleman City:	Aqueduct Mile 18 Pumping Plant
Kettleman City to Avenal Gap:	Aqueduct
Avenal Gap to Buena Vista Pumping Plant:	Aqueduct
Buena Vista Pumping Plant to Wheeler Ridge Pumping Plants I and II:	Buena Vista Pumping Plant Aqueduct
Wheeler Ridge Pumping Plants I and II to Tehachapi Pumping Plant:	Wheeler Ridge Pumping Plant I Wheeler Ridge Pumping Plant II Aqueduct
Tehachapi Pumping Plant to South Portal Tehachapi Tunnels:	Tehachapi Pumping Plant (Pumping Plant VI) Tehachapi Tunnels
South Portal Tehachapi Tunnels to Junction, East and West Branches:	Cottonwood Power Plant Aqueduct
EAST BRANCH	
Junction, East and West Branches to Little Rock Creek:	Aqueduct
Little Rock Creek to West Fork Mojave River:	Pearblossom Pumping Plant Aqueduct
West Fork Mojave River to Cedar Springs Reservoir:	Aqueduct Cedar Springs Dam Cedar Springs Reservoir

IN WITNESS WHEREOF, the parties hereto have executed this contract on the date first above written.

Approved as to legal form and sufficiency:

By _____

Chief Counsel
Department of Water Resources
P. O. Box 388
Sacramento, California

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

By _____
Director

Attest:

By _____
Secretary and Director
Mojave Water Agency
P. O. Box 116
Oro Grande, California

MOJAVE WATER AGENCY

By _____
President and Director

By _____
Director

By _____
Director

By _____
Director

By _____
Director

By _____
Director

By _____
Director

By _____
Director

By _____
Director

Approved as to form and Execution:

By _____
Counsel

STATE OF CALIFORNIA

DEPARTMENT OF WATER RESOURCES

AMENDMENT NO. 1 TO WATER SUPPLY
CONTRACT BETWEEN THE STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES AND
MOJAVE WATER AGENCY

THIS CONTRACT, made this 15th day of November 1963, pursuant to the provisions of the California Water Resources Development Bond Act, the State Central Valley Project Act, and other applicable laws of the State of California, between the State of California, acting by and through its Department of Water Resources, herein referred to as the "State," and Mojave Water Agency, a public agency in the State of California, duly organized, existing, and acting pursuant to the laws thereof with its principal place of business in Victorville, California, herein referred to as the "Agency,"

WITNESSETH, That:

WHEREAS, the State is authorized to construct and operate facilities for the storage and conveyance of water, certain of which facilities will make water available to the Agency; and

WHEREAS, the State and the Agency have entered into a water supply contract, dated June 22, 1963, providing that the State shall supply certain quantities of water to the Agency, and providing that the Agency shall make certain payments to the State, and setting forth the terms and conditions of such supply and such payment; and

WHEREAS, the State and the Agency are desirous of making certain changes and additions to the above-mentioned contract, while otherwise continuing the contract in full force and effect;

NOW THEREFORE, it is mutually agreed that the following changes and additions are hereby made to the Agency's water supply contract with the State:

Article 46 is added to the contract to read as follows:

46. Amendatory Provisions

a. Surplus Water

Notwithstanding other provisions of this contract, surplus water for agricultural and ground water replenishment use shall be offered to contractors on the following basis. Before surplus water is sold for other than agricultural and ground water replenishment use, each contractor shall have the right, subject to the ability of the State to deliver such water, to contract for agricultural and ground water replenishment use for a portion of the total amount of surplus water available in any year, in an amount which bears the same ratio to the total amount of surplus water available in that year as the sum of the annual entitlements delivered to the contractor for agricultural and ground water replenishment use during the preceding three years bears to the total amount of the annual entitlements delivered for agricultural and ground water replenishment use during the preceding three years of all contractors requesting surplus water: Provided, That if its proportion of such surplus water is not required by or cannot be delivered to any contractor, such amount of additional surplus water shall be offered to other contractors for agricultural and

ground water replenishment use. During the first three years in which project water is deliver to a contractor, the State shall determine the amount of surplus water which the contractor may obtain based on the contractor's maximum annual entitlement and the estimated percentage of its annual entitlement to be delivered for agricultural and ground water replenishment use; but quantities so determined shall not exceed the contractor's annual entitlement for that year. For the purpose of computing the portion of the surplus water for agricultural and ground water replenishment use to which each contractor is entitled, the State shall determine the amounts of water used for agricultural and ground water replenishment use by each contractor in each year: Provided, That each contractor shall furnish certified copies of such records and data concerning the use of water within its boundaries as the State may request.

Surplus water for agricultural and ground water replenishment use shall be furnished at prices which will return to the State the variable operation, maintenance, power, and replacement components of the Delta Water Charge and Transportation Charge incurred in such service of surplus water as determined by the State. A surcharge shall be added to the rate for surplus water furnished to excess land in an amount and under the conditions specified in Article 30 of this contract. Contracts made pursuant to this subdivision may exceed one year in duration.

Except as herein modified, the provisions of Article 21 of this contract are hereby confirmed, and all surplus water not specifically allocated pursuant to this subdivision shall be sold

under the provisions of Article 21.

As used in this subdivision "ground water replenishment use" shall mean the use of project water exclusively by direct application to spreading basins, streambeds, or through other means of direct artificial recharge for the purpose of replenishing overdrawn ground water basins.

b. Surcharge Credit

Notwithstanding other provisions of this contract, the State may include provisions in water supply contracts allowing a credit to a contractor not to exceed the surcharge to be paid by such contractor: Provided, That such credit shall be utilized to reduce the cost of water for agricultural use on other than excess land at a uniform rate per acre-foot not to exceed two dollars ($2) per acre-foot. Any contract including provisions pursuant to this subdivision shall assure that the reductions in the contractors' obligations authorized by this subdivision are made available exclusively for the benefit of agricultural use on land other than excess land and are not directly or indirectly made available for the benefit of agricultural use on excess land.

IN WITNESS WHEREOF, the parties hereto have executed this contract on the date first above written.

Approved as to legal form and sufficiency:

P. A. Towne
Chief Counsel
Department of Water Resources

Attest:

By George R. Seals
Secretary and Director 9-10-63
Mojave Water Agency
P. O. Box 116
Oro Grande, California

Approved as to form and Execution:

By William J. Johnston
Counsel 9/10/63

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

By Carl L. Hoppe
Director

MOJAVE WATER AGENCY

By Franklin Hartwell
President and Director 9-10-63

By _____

By _____

STATE OF CALIFORNIA

DEPARTMENT OF WATER RESOURCES

AMENDMENT NO. 2 TO WATER SUPPLY
CONTRACT BETWEEN THE STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES AND
MOJAVE WATER AGENCY

THIS CONTRACT, made this 28th day of September, 1964, pursuant to the provisions of the California Water Resources Development Bond Act, the State Central Valley Project Act, and other applicable laws of the State of California, between the State of California, acting by and through its Department of Water Resources, herein referred to as the "State," and Mojave Water Agency, a public agency in the State of California, duly organized, existing, and acting pursuant to the laws thereof with its principal place of business in Victorville, California, herein referred to as the "Agency,"

WITNESSETH, That:

WHEREAS, the State is authorized to construct and operate facilities for the storage and conveyance of water, certain of which facilities will make water available to the Agency; and

WHEREAS, the State and the Agency have entered into a water supply contract, dated June 22, 1963, as amended November 15, 1963, providing that the State shall supply certain quantities of water to the Agency, and providing that the Agency shall make certain payments to the State, and setting forth the terms and conditions of such supply and such payment; and

WHEREAS, the maximum annual entitlements under all contracts executed by the State on or before December 31, 1963, did not aggregate the amount of the minimum project yield as defined in such water supply contract; and

WHEREAS, the Agency has elected to become entitled to a certain amount of the uncontracted for portion of the minimum project yield under the provisions of Article 8 of the above-mentioned contract and the State has determined that the Agency can put the water involved to beneficial use within a reasonable period of time; and

WHEREAS, the State and the Agency are desirous of making certain other changes and additions to such contract, while otherwise continuing the contract in full force and effect;

NOW THEREFORE, it is mutually agreed that the following changes and additions are hereby made to the Agency's water supply contract with the State:

1. Subdivision (k) of Article 1 is amended to read as follows:

(k) Minimum Project Yield

"Minimum project yield" shall mean the dependable annual supply of project water to be made available, estimated to be 4,230,000 acre-feet per year, said amount to be determined by the State on the basis of coordinated operation studies of initial project conservation facilities and additional project conservation facilities, which studies shall be based upon:

(1) The estimated relative proportion of deliveries for agricultural use to deliveries for municipal use for the year

1990, and the characteristic distributions of demands for these two uses throughout the year.

(2) An allowable reduction in the agricultural use portion of the minimum project yield, due to drought, of not to exceed fifty percent (50%) in any one year, nor a total of one hundred percent (100%) of one year's supply in any series of seven consecutive years.

(3) Agreements now in effect or as hereafter amended or supplemented between the State and the United States and others regarding the diversion or utilization of waters of the Delta or streams tributary thereto.

2. Table A of the contract entitled "Annual Entitlements Mojave Water Agency" is amended to read as follows:

TABLE A

ANNUAL ENTITLEMENTS
MOJAVE WATER AGENCY

Year	Total Annual Amount in Acre-feet
1	8,400
2	10,700
3	13,100
4	15,400
5	17,800
6	20,200
7	22,500
8	24,900
9	27,200
10	29,600
11	31,900
12	34,300
13	36,700
14	39,000
15	41,400
16	43,700
17	46,000
18	48,500
19	50,800
And each succeeding year thereafter, for the term of this contract:	50,800

3. Subdivision (c) of Article 12 is amended to read as follows:

(c) Limit on Rate of Delivery to Agency

In no event shall the State be obligated to deliver water to the Agency through all delivery structures at a total combined instantaneous rate of flow exceeding ninety-three (93) cubic feet per second, except as this rate of flow may be revised by amendment of this article after submission to the State of the Agency's requests with respect to maximum flow capacities to be provided in said delivery structures, pursuant to Article 10.

4. Subdivision (a) of Article 16 is amended to read as as follows:

(a) Limit on Total of All Maximum Annual Entitlements

The Agency's maximum annual entitlement hereunder, together with the maximum annual entitlements of all other contractors, shall aggregate no more than the minimum project yield as defined herein and in no event more than 4,230,000 acre-feet of project water.

5. Article 46 is amended to read as follows:

46. Amendatory Provisions

(a) Surplus Water

Notwithstanding other provisions of this contract, surplus water for agricultural and ground water replenishment use shall be offered to contractors on the following basis. Before surplus water is sold for other than agricultural and ground water replenishment use, each contractor shall have the right, subject to the ability of the State to deliver such water and to the provisions of the next succeeding paragraph, to contract for agricultural and ground water replenishment use for a portion of the total amount of surplus water available in any year, in an amount which bears the same ratio to the total amount of surplus water available in that year as the sum of the annual entitlements, set forth in Table A of this contract, delivered to the contractor for agricultural and ground water replenishment use during the preceding three years bears to the total amount of such annual entitlements delivered for agricultural and ground water replenishment use during the preceding three years of all contractors requesting surplus water: Provided, That if its proportion of such surplus water is not required by or cannot be delivered to

any contractor, such amount of additional surplus water shall be offered to other contractors for agricultural and ground water replenishment use. During the first three years in which project water is delivered to a contractor, the State shall determine the amount of surplus water which the contractor may obtain based on the contractor's maximum annual entitlement and the estimated percentage of its annual entitlement to be delivered for agricultural and ground water replenishment use; but quanitites so determined shall not exceed the contractor's annual entitlement for that year. For the purpose of computing the portion of the surplus water for agricultural and ground water replenishment use to which each contractor is entitled, the State shall determine the amounts of water used for agricultural and ground water replenishment use by each contractor in each year: Provided, That each contractor shall furnish certified copies of such records and data concerning the use of water within its boundaries as the State may request.

The provisions of this paragraph shall be applicable only to contractors in the San Joaquin Valley Service Area, contractors in the Southern California Service Area, and contractors in the Central Coastal Service Area. Before surplus water is sold for other than agricultural and ground water replenishment use, each such contractor shall have the right, subject to the ability of the State to deliver such water, to contract for agricultural and ground water replenishment use in accordance with the following formula: contractors in the San Joaquin Valley Service Area shall have a right to contract for sixty-nine percent (69%) of the surplus water available at the Mile 18 Pumping Plant;

contractors in the Southern California Service Area shall have a right to contract for twenty-nine percent (29%) of such water; and contractors in the Central Coastal Service Area shall have a right to contract for two percent (2%) of such water: Provided, That within each of these service areas, each contractor shall have the right to contract for agricultural and ground water replenishment use for a portion of the total amount of surplus water available to that service area in any year, in an amount which bears the same ratio to the total amount of surplus water available to the service area in that year as the sum of the annual entitlements, set forth in Table A of this contract, delivered to the contractor for agricultural and ground water replenishment use during the preceding three years bears to the total amount of such annual entitlements delivered for agricultural and ground water replenishment use during the preceding three years of all contractors in that service area requesting surplus water: Provided, further, That if its proportion of such surplus water is not required by or cannot be delivered to any contractor, such amount of additional surplus water shall be offered to other contractors for agricultural and ground water replenishment use. During the first three years in which project water is delivered to a contractor, the State shall determine the amount of surplus water which the contractor may obtain based on the contractor's maximum annual entitlement and the estimated percentage of its annual entitlement to be delivered for agricultural and ground water replenishment use; but quantities so determined shall not exceed the contractor's annual entitlement for that year. As used in this paragraph, "contractors in the

San Joaquin Service Area" shall mean: Devil's Den Water District, Dudley Ridge Water District, Empire West Side Irrigation District, Hacienda Water District, Kern County Water Agency, and Tulare Lake Basin Water Storage District; "contractors in the Southern California Serivce Area" shall mean: Antelope Valley-East Kern Water Agency, City of West Covina, Coachella Valley County Water District, Crestline-Lake Arrowhead Water Agency, Desert Water Agency, Littlerock Creek Irrigation District, Mojave Water Agency Palmdale Irrigation District, San Bernardino Valley Municipal Water District, San Gabriel Valley Municipal Water District, San Gorgonio Pass Water Agency, The Metropolitan Water District of Southern California, Upper Santa Clara Valley Water Agency, and Ventura County Flood Control District; "contractors in the Central Coastal Service Area" shall mean: San Luis Obispo County Flood Control and Water Conservation District and Santa Barbara County Flood Control and Water Conservation District.

The provision of this paragraph shall be applicable only to a contractor to which the delivery of project water for municipal use as of 1990 is estimated by the State to be in excess of fifty percent (50%) of such contractor's maximum annual entitlement. For the purpose of fixing such contractor's right to delivery of surplus water, water from a watershed not tributary to the contractor's area which is delivered within the contractor's boundaries for agricultural or ground water replenishment use shall be deemed to be part of the contractor's annual entitlement delivered for such use in computing the quantity of surplus water

to which the contractor is entitled under this subdivision: Provided, That the contractor shall not be deemed to have used more than its annual entitlement, as set forth in Table A, for such use. Surplus water shall be deemed to be used by the contractor for agricultural or ground water replenishment use if an equal quantity of water imported from a watershed not tributary to the contractor's area is delivered within the contractor's boundaries for such use.

In providing for the delivery of surplus water to contractors pursuant to this subdivision, the State shall refuse to deliver such surplus water to any contractor to the extent that the State determines that such delivery would tend to encourage the development of an economy within the area served by such contractor which would be dependent upon the sustained delivery of water in excess of the contractor's maximum annual entitlement. In no event shall the quantity of surplus water made available in any year prior to 1986 to any contractor under this subdivision exceed the difference between its annual entitlement for that year and its maximum annual entitlement, except that, subject to provisions of the immediately preceding sentence, with respect to any contractor which under Table A of its contract is scheduled to receive its maximum annual entitlement prior to 1978, the quantity of surplus water made available in any year prior to 1986 under this subdivision may exceed such difference by not more than 3,000 acre-feet.

Surplus water for agricultural and ground water replenishment use shall be furnished at prices which will return to the

State the variable operation, maintenance, power, and replacement components of the Delta Water Charge and Transportation Charge incurred in such service of surplus water as determined by the State. Surplus water delivered under this subdivision shall be limited to the quantity of water which can be delivered without adversely affecting the reliability, or increasing the cost, of service to meet annual entitlements. A surcharge shall be added to the rate for surplus water furnished to excess land in an amount and under the conditions specified in Article 30 of this contract. Contracts made pursuant to this subdivision may exceed one year in duration.

Except as herein modified, the provisions of Article 21 of this contract are hereby confirmed, and all surplus water not specifically allocated pursuant to this subdivision shall be sold under the provisions of Article 21. Nothing in this subdivision shall limit the right of the Agency to increase its annual entitlements as otherwise provided in this contract.

As used in this subdivision "ground water replenishment use" shall mean the use of project water exclusively by direct application to spreading basins, streambeds, or through other means of direct artificial recharge for the purpose of replenishing overdrawn ground water basins.

(b) Surcharge Credit

Notwithstanding other provisions of this contract, the State may allow a credit to each contractor not to exceed the surcharge paid by such contractor.

For the purpose of this contract, the surcharge credit shall be determined and applied in the following manner:

(1) The State shall, in each year after the year of initial water delivery, allow a credit to the Agency in the amount of the surcharge forwarded by the Agency to the State in the preceding year.

(2) The Agency shall not establish water rates, or tax or assessment rates, so as to cause the surcharge credit to be passed on to water users in a manner which will bring about a greater reduction in the cost per acre-foot of project water put to use on excess land than such cost of project water put to use on other than excess land.

This subdivision 46(b) shall be separable from all other provisions in this contract, and in the event that any or all of the provisions of this subdivision are in any manner or to any extent held to be invalid by final judgment or decree of a court of competent jurisdication, such holding and such invalidity shall in no way affect the validity of, or make invalid, any other provision of this contract.

IN WITNESS WHEREOF, the parties hereto have executed this contract on the date first above written.

Approved as to legal form and sufficiency:

Chief Counsel
Department of Water Resources

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

By _____
Director

Approved as to form and execution:

ATTORNEY

MOJAVE WATER AGENCY

By _____
PRESIDENT

ATTEST:

SECRETARY

NAPA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

Location and Size

The Napa County Flood Control and Water Conservation District encompasses all of Napa County. The area of the County is 500,500 acres and as of July 1, 1964, it had an estimated population of 74,400.

Water Supply and Utilization

The proposed projects in the Russian River Basin are expected to supply a large part of the future estimated additional water requirements of the District. To meet total estimated requirements, however, a supplemental supply of water from the State Water Project will be utilized. The imported water will be used primarily for municipal and industrial purposes in the southern half of the County.

Items of Contract Information Unique to Agency

Date of Contract - Preamble

December 19, 1963

Agency's Principal Place of Business - Preamble

Napa

Estimated Year of Initial Water Delivery - Article 6(a)

1980 (Delivery of nonproject water through project facilities to commence in 1968.)

Date of Request as to Delivery Structures - Article 10(b)

February 1, 1964

Limit on Instantaneous Rate of Delivery - Article 12(c)

46 cfs

NOTES AND COMMENTS

E. SPECIAL PROVISIONS AND TABLES

45. SPECIAL PROVISIONS

(a) Notwithstanding other provisions of this contract, surplus water for agricultural and ground water replenishment use shall be offered to contractors on the following basis. Before surplus water is sold for other than agricultural and ground water replenishment use, each contractor shall have the right, subject to the ability of the State to deliver such water, to contract for agricultural and ground water replenishment use for a portion of the total amount of surplus water available in any year, in an amount which bears the same ratio to the total amount of surplus water available in that year as the sum of the annual entitlements, set forth in Table A of this contract, delivered to the contractor for agricultural and ground water replenishment use during the preceding three years bears to the total amount of such annual entitlements delivered for agricultural and ground water replenishment use during the preceding three years of all contractors requesting surplus water: *Provided,* That if its proportion of such surplus water is not required by or cannot be delivered to any contractor, such amount of additional surplus water shall be offered to other contractors for agricultural and ground water replenishment use. During the first three years in which project water is delivered to a contractor, the State shall determine the amount of surplus water which the contractor may obtain based on the contractor's maximum annual entitlement and the estimated percentage of its annual entitlement to be delivered for agricultural and ground water replenishment use; but quantities so determined shall not exceed the contractor's annual entitlement for that year. For the purpose of computing the portion of the surplus water for agricultural and ground water replenishment use to which each contractor is entitled, the State shall determine the amounts of water used for agricultural and ground water replenishment use by each contractor in each year: *Provided,* That each contractor shall furnish certified copies of such records and data concerning the use of water within its boundaries as the State may request.

Surplus water for agricultural and ground water replenishment use shall be furnished at prices which will return to the State the variable operation, maintenance, power, and replacement components of the Delta Water Charge and Transportation Charge incurred in such service of surplus water as determined by the State. A surcharge shall be added to the rate for surplus water furnished to excess land in an amount and under the conditions specified in Article 30 of this contract. Contracts made pursuant to this subdivision may exceed one year in duration.

Except as herein modified, the provisions of Article 21 of this contract are hereby confirmed, and all surplus water not specifically allocated pursuant to this subdivision shall be sold under the provisions of Article 21.

As used in this subdivision, "ground water replenishment use" shall mean the use of project water exclusively by direct application to spreading basins, streambeds, or through other means of direct artificial recharge for the purpose of replenishing overdrawn ground water basins.

(b) **Surcharge Credit**

Notwithstanding other provisions of this contract, the State may include provisions in water supply contracts allowing a credit to a contractor not to exceed the surcharge to be paid by such contractor: *Provided,* That such credit shall be utilized to reduce the cost of water for agricultural use on other than excess land at a uniform rate per acre-foot not to exceed two dollars ($2) per acre-foot. Any contract including provisions pursuant to this subdivision shall assure that the reductions in the contractors' obligations authorized by this subdivision are made available exclusively for the benefit of agricultural use on land other than excess land and are not directly or indirectly made available for the benefit of agricultural use on excess land.

(c) The Agency shall have the right to transport through the North Bay Aqueduct such quantities, as the Agency shall from time to time determine, of water other than project water: *Provided,* That the transportation of such water shall not, without the prior consent of the State and all other contractors taking water through the North Bay Aqueduct, materially deteriorate the quality of water received by such other contractors through the North Bay Aqueduct: *Provided further,* That the materiality of any deterioration of the quality of water delivered through the North Bay Aqueduct shall be determined by the State: *Provided further,* That the Agency's right under this subdivision is subject to the State's determination that such transportation of water will not interfere with the delivery of project water to other contractors: *Provided further,* That the variable component of the Transportation Charge paid by the Agency to the State shall include the operation, maintenance, power and replacement costs proportionately allocated to the transportation of such water other than project water.

(d) Notwithstanding other provisions of this contract, any water diverted from the Sacramento-San Joaquin Delta and transported through the North Bay Aqueduct or any portion of such aqueduct shall be deemed to be project water at the point of diversion and to have been diverted by the Agency under this contract subject to the following conditions: such water shall be measured by measurement devices satisfactory to the State and shall be paid for by the Agency as project water; Table A Alternate shall be used in lieu of Table A, and all references to Table A in this contract shall apply to Table A Alternate; and notwithstanding the provisions of Article 6(a) the year of initial water delivery shall be deemed to be 1966, or such year as construction of the North Bay Aqueduct east of Cordelia is completed for delivery of water under the provisions of subdivision (g) of this article.

(e) Notwithstanding the provisions of Article 17, the State shall, at the request of the Agency, increase the capacity of the North Bay Aqueduct, or any reach thereof, over that determined by the State to be necessary pursuant to Article 17(b): *Provided,* That the Agency notified the State prior to the final design of the portion of the North Bay Aqueduct affected thereby of the location and extent of such increased capacity and makes arrangements satisfactory to the State whereby the Agency shall pay the capital cost in advance of construction, computed on the basis of proportionate use attributed to such increased capacity: *Provided further,* That the minimum operation, maintenance, power and replacement component of the Transportation Charge to be paid by the Agency shall be determined by the State to reflect such increased capacity.

(f) Notwithstanding other provisions of this contract, the year of initial water delivery to the Agency for the purposes of establishing the year in which payments by the Agency under the variable operation, maintenance, power, and replacement component of the Transportation Charge shall commence pursuant to Article 29(d) shall be the year in which delivery of water through any portion of the North Bay Aqueduct commences regardless of the source of such water.

(g) The State shall not commence construction of any portion of the North Bay Aqueduct east of Cordelia until 1975 or such earlier date as may hereafter be agreed upon by the State, the Agency and all other contractors taking water from the North Bay Aqueduct. The State shall make all reasonable efforts to design and construct the reach of the North Bay Aqueduct from Cordelia to a delivery structure in Napa County designated by the Agency for transportation of water in 1966 or such later years as may hereafter be agreed upon by the State and the Agency. Nothing herein shall be deemed to restrict the right of the State to acquire lands, easements and rights-of-way for any portion of the North Bay Aqueduct at such time or times as it may deem appropriate and desirable.

(h) The State shall make no other contract to supply project water for use within the Agency's boundaries without the consent of the Agency.

(i) Notwithstanding other provisions of this contract, project water shall not be delivered to the Agency in any one month of any year in a total amount greater than eleven percent (11%) of that portion of the Agency's annual entitlement for that year to be put to municipal use, as determined by the State, and eighteen percent (18%) of that portion of the Agency's annual entitlement for that year to be put to agricultural use, as determined by the State.

TABLE A

ANNUAL ENTITLEMENTS
NAPA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

Year	Total Annual Amount in Acre-feet
1	12,500
2	13,750
3	15,000
4	16,250
5	17,500
6	18,750
7	20,000
8	21,250
9	22,500
10	23,750
11	25,000
And each succeeding year thereafter for the term of this contract as a maximum annual entitlement	25,000

TABLE A ALTERNATE

ANNUAL ENTITLEMENTS
NAPA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

Year	Total Annual Amount in Acre-feet
1*	900
2	1,900
3	2,800
4	3,800
5	4,800
6	5,800
7	6,700
8	7,700
9	8,600
10	9,600
11	10,500
12	11,500
13	12,500
14	13,750
15	15,000
16	16,250
17	17,500
18	18,750
19	20,000
20	21,250
21	22,500
22	23,750
23	25,000
And each succeeding year thereafter for the term of this contract as a Maximum Annual Entitlement	25,000

*1966

TABLE H

PROJECT TRANSPORTATION FACILITIES
NAPA COUNTY FLOOD CONTROL AND
WATER CONSERVATION DISTRICT

A North Bay Aqueduct extending to a terminus in Napa County.

TABLE I

AQUEDUCT REACHES
NAPA COUNTY FLOOD CONTROL AND
WATER CONSERVATION DISTRICT

Aqueduct Reach	Major Features of Reach
Lindsey Slough to Suisun City:	Intake Canal Fish protective facilities Calhoun Pumping Plant Aqueduct
Suisun City to Cordelia Pumping Plant:	Aqueduct
Cordelia Pumping Plant to a terminus in Napa County:	Cordelia Pumping Plant Aqueduct

IN WITNESS WHEREOF, the parties hereto have executed this contract on the date first above written.

Approved as to legal form and sufficiency:

P. C. Towner
Chief Counsel
Department of Water Resources
P. O. Box 388
Sacramento, California

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

By _____
Director

Attest:

_____
County Clerk and Ex Officio Clerk
Napa County Flood Control and Water Conservation District
Napa County Court House
Napa, California

NAPA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

By _____
Chairman, Board of Directors

Approved as to form:

_____
Special Counsel

STATE OF CALIFORNIA

DEPARTMENT OF WATER RESOURCES

AMENDMENT NO. 1 TO THE WATER SUPPLY
CONTRACT BETWEEN THE STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES AND
NAPA COUNTY FLOOD CONTROL AND WATER CONSERVATION
DISTRICT FOR A WATER SUPPLY

THIS CONTRACT, made this 22nd day of September, 1964, pursuant to the provisions of the California Water Resources Development Bond Act, the State Central Valley Project Act, and other applicable laws of the State of California, between the State of California, acting by and through its Department of Water Resources, herein referred to as the "State," and Napa County Flood Control and Water Conservation District, a public agency in the State of California, duly organized, existing, and acting pursuant to the laws thereof with its principal place of business in Napa, California, herein referred to as the "Agency,"

WITNESSETH, That:

WHEREAS, the State is authorized to construct and operate facilities for the storage and conveyance of water, certain of which facilities will make water available to the Agency; and

WHEREAS, the State and the Agency have entered into a water supply contract, dated December 19, 1963, providing that the State shall supply certain quantities of water to the Agency, and providing that the Agency shall make certain payments to the State, and setting forth the terms and conditions of such supply and such payment; and

WHEREAS, the State and the Agency are desirous of making certain changes and additions to such contract, while otherwise continuing the contract in full force and effect;

NOW THEREFORE, it is mutually agreed that the following changes and additions are hereby made to the Agency's water supply contract with the State:

1. Subdivision (k) of Article 1 is amended to read as follows:

(k) Minimum Project Yield

"Minimum project yield" shall mean the dependable annual supply of project water to be made available, estimated to be 4,230,000 acre-feet per year, said amount to be determined by the State on the basis of coordinated operation studies of initial project conservation facilities and additional project conservation facilities, which studies shall be based upon:

(1) The estimated relative proportion of deliveries for agricultural use to deliveries for municipal use for the year 1990, and the characteristic distributions of demands for these two uses throughout the year.

(2) An allowable reduction in the agricultural use portion of the minimum project yield, due to drought, of not to exceed fifty percent (50%) in any one year, nor a total of one hundred percent (100%) of one year's supply in any series of seven consecutive years.

(3) Agreements now in effect or as hereafter amended or supplemented between the State and the United States and others regarding the diversion or utilization of waters of the Delta or streams tributary thereto.

2. Subdivision (a) of Article 16 is amended to read as follows:

(a) Limit on Total of all Maximum Annual Entitlements

The Agency's maximum annual entitlement hereunder, together with the maximum annual entitlements of all other contractors, shall aggregate no more than the minimum project yield as defined herein and in no event more than 4,230,000 acre-feet of project water.

3. Subdivision (a) of Article 45 is amended to read as follows:

(a) Surplus Water

Notwithstanding other provisions of this contract, surplus water for agricultural and ground water replenishment use shall be offered to contractors on the following basis. Before surplus water is sold for other than agricultural and ground water replenishment use, each contractor shall have the right, subject to the ability of the State to deliver such water, to contract for agricultural and ground water replenishment use for a portion of the total amount of surplus water available in any year, in an amount which bears the same ratio to the total amount of surplus water available in that year as the sum of the annual entitlements, set forth in Table A of this contract, delivered to the contractor for agricultural and ground water replenishment use during the preceding three years bears to the total amount of such annual entitlements delivered for agricultural and ground water replenishment use during the preceding three years of all contractors requesting surplus water: Provided, That if its proportion of such surplus water is not required by or cannot be delivered to

any contractor, such amount of additional surplus water shall be offered to other contractors for agricultural and ground water replenishment use. During the first three years in which project water is delivered to a contractor, the State shall determine the amount of surplus water which the contractor may obtain based on the contractor's maximum annual entitlement and the estimated percentage of its annual entitlement to be delivered for agricultural and ground water replenishment use; but quantities so determined shall not exceed the contractor's annual entitlement for that year. For the purpose of computing the portion of the surplus water for agricultural and ground water replenishment use to which each contractor is entitled, the State shall determine the amounts of water used for agricultural and ground water replenishment use by each contractor in each year: Provided, That each contractor shall furnish certified copies of such records and data concerning the use of water within its boundaries as the State may request.

The provision of this paragraph shall be applicable only to a contractor to which the delivery of project water for municipa use as of 1990 is estimated by the State to be in excess of fifty percent (50%) of such contractor's maximum annual entitlement. For the purpose of fixing such contractor's right to delivery of surplus water, water from a watershed not tributary to the contractor's area which is delivered within the contractor's boundaries for agricultural or ground water replenishment use shall be deemed to be part of the contractor's annual entitlement delivered for such use in computing the quantity of surplus water

to which the contractor is entitled under this subdivision: Provided, That the contractor shall not be deemed to have used more than its annual entitlement, as set forth in Table A, for such use. Surplus water shall be deemed to be used by the contractor for agricultural or ground water replenishment use if an equal quantity of water imported from a watershed not tributary to the contractor's area is delivered within the contractor's boundaries for such use.

In providing for the delivery of surplus water to contractors pursuant to this subdivision, the State shall refuse to deliver such surplus water to any contractor to the extent that the State determines that such delivery would tend to encourage the development of an economy within the area served by such contractor which would be dependent upon the sustained delivery of water in excess of the contractor's maximum annual entitlement. In no event shall the quantity of surplus water made available in any year prior to 1986 to any contractor under this subdivision exceed the difference between its annual entitlement for that year and its maximum annual entitlement, except that, subject to provisions of the immediately preceding sentence, with respect to any contractor which under Table A of its contract is scheduled to receive its maximum annual entitlement prior to 1978, the quantity of surplus water made available in any year prior to 1986 under this subdivision may exceed such difference by not more than 3,000 acre-feet.

Surplus water for agricultural and ground water replenishment use shall be furnished at prices which will return to the

State the variable operation, maintenance, power and replacement components of the Delta Water Charge and Transportation Charge incurred in such service of surplus water as determined by the State. Surplus water delivered under this subdivision shall be limited to the quantity of water which can be delivered without adversely affecting the reliability, or increasing the cost, of service to meet annual entitlements. A surcharge shall be added to the rate for surplus water furnished to excess land in an amount and under the conditions specified in Article 30 of this contract. Contracts made pursuant to this subdivision may exceed one year in duration.

Except as herein modified, the provisions of Article 21 of this contract are hereby confirmed, and all surplus water not specifically allocated pursuant to this subdivision shall be sold under the provisions of Article 21. Nothing in this subdivision shall limit the right of the Agency to increase its annual entitlements as otherwise provided in this contract.

As used in this subdivision "ground water replenishment use" shall mean the use of project water exclusively by direct application to spreading basins, streambeds, or through other means of direct artificial recharge for the purpose of replenishing overdrawn ground water basins.

4. Subdivision (b) of Article 45 is amended to read as follows:

(b) Surcharge Credit

Notwithstanding other provisions of this contract, the State may allow a credit to each contractor not to exceed the surcharge paid by such contractor.

For the purpose of this contract, the surcharge credit shall be determined and applied in the following manner:

(1) The State shall, in each year after the year of initial water delivery, allow a credit to the Agency in the amount of the surcharge forwarded by the Agency to the State in the preceding year.

(2) The Agency shall not establish water rates, or tax or assessment rates, so as to cause the surcharge credit to be passed on to water users in a manner which will bring about a greater reduction in the cost per acre-foot of project water put to use on excess land than such cost of project water put to use on other than excess land.

This subdivision 45(b) shall be separable from all other provisions in this contract, and in the event that any or all of the provisions of this subdivision are in any manner or to any extent held to be invalid by final judgment or decree of a court of competent jurisdiction, such holding and such invalidity shall in no way affect the validity of, or make invalid, any other provision of this contract.

5. Subdivision (g) of Article 45 is amended to read as follows:

(g) The State shall not commence construction of any portion of the North Bay Aqueduct east of Cordelia until 1975 or such earlier date as may hereafter be agreed upon by the State, the Agency and all other contractors taking water from the North Bay Aqueduct. The State shall make all reasonable efforts to design and construct the reach of the North Bay Aqueduct from

Cordelia to a delivery structure in Napa County designated by the Agency for transportation of water in 1967. Nothing herein shall be deemed to restrict the right of the State to acquire lands, easements and rights-of-way for any portion of the North Bay Aqueduct at such time or times as it may deem appropriate and desirable.

6. Table A Alternate is amended to read as follows:

TABLE A ALTERNATE

ANNUAL ENTITLEMENTS
NAPA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

Year	Total Annual Amount in Acre-feet
1*	900
2	1,900
3	2,800
4	3,800
5	4,800
6	5,800
7	6,700
8	7,700
9	8,600
10	9,600
11	10,500
12	11,500
13	12,500
14	13,750
15	15,000
16	16,250
17	17,500
18	18,750
19	20,000
20	21,250
21	22,500
22	23,750
23	25,000
And each succeeding year thereafter for the term of this contract as a Maximum Annual Entitlement	25,000

* 1968

IN WITNESS WHEREOF, the parties hereto have executed this contract on the date first above written.

Approved as to legal form and sufficiency:

Chief Counsel
Department of Water Resources

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

By _____
Director

NAPA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

By _____

County Clerk and Ex Officio Clerk
Napa County Flood Control and Water Conservation District
Napa County Court House
Napa, California

Special Counsel

OAK FLAT WATER DISTRICT

Location and Size

The District is located in Stanislaus County, about three miles south of the city of Patterson. The area of the District presently totals 2,159 acres in 6 parcels scattered over a 3- by 6-mile area and the estimated population is 6.

Water Supply and Utilization

The only use of water within the District is for irrigation. The present limited water supply is pumped from wells but yields are low and quality is poor. Use of ground water is expected to be discontinued when project water becomes available.

Items of Contract Information Unique to Agency

Date of Contract - Preamble

March 23, 1965

Agency's Principal Place of Business - Preamble

Westley

Estimated Year of Initial Water Delivery - Article 6(a)

1968

Date of Request as to Delivery Structures - Article 10(b)

March 23, 1965

Limit on Instantaneous Rate of Delivery - Article 12(c)

17 cfs

NOTES AND COMMENTS

E. SPECIAL PROVISIONS AND TABLES

45. SPECIAL PROVISIONS

(a) **Surplus Water**

Notwithstanding other provisions of this contract, surplus water for agricultural and ground water replenishment use shall be offered to contractors on the following basis. Before surplus water is sold for other than agricultural and ground water replenishment use, each contractor shall have the right, subject to the ability of the State to deliver such water, to contract for agricultural and ground water replenishment use for a portion of the total amount of surplus water available in any year, in an amount which bears the same ratio to the total amount of surplus water available in that year as the sum of the annual entitlements, set forth in Table A of this contract, delivered to the contractor for agricultural and ground water replenishment use during the preceding three years bears to the total amount of such annual entitlements delivered for agricultural and ground water replenishment use during the preceding three years of all contractors requesting surplus water: *Provided,* That if its proportion of such surplus water is not required by or cannot be delivered to any contractor, such amount of additional surplus water shall be offered to other contractors for agricultural and ground water replenishment use. During the first three years in which project water is delivered to a contractor, the State shall determine the amount of surplus water which the contractor may obtain based on the contractor's maximum annual entitlement and the estimated percentage of its annual entitlement to be delivered for agricultural and ground water replenishment use; but quantities so determined shall not exceed the contractor's annual entitlement for that year. For the purpose of computing the portion of the surplus water for agricultural and ground water replenishment use to which each contractor is entitled, the State shall determine the amounts of water used for agricultural and ground water replenishment use by each contractor in each year: *Provided,* That each contractor shall furnish certified copies of such records and data concerning the use of water within its boundaries as the State may request.

The provision of this paragraph shall be applicable only to a contractor to which the delivery of project water for municipal use as of 1990 is estimated by the State to be in excess of fifty percent (50%) of such contractor's maximum annual entitlement. For the purpose of fixing such contractor's right to delivery of surplus water, water from a watershed not tributary to the contractor's area which is delivered within the contractor's boundaries for agricultural or ground water replenishment use shall be deemed to be part of the contractor's annual entitlement delivered for such use in computing the quantity of surplus water to which the contractor is entitled under this subdivision: *Provided,* That the contractor shall not be deemed to have used more than its annual entitlement, as set forth in Table A, for such use. Surplus water shall be deemed to be used by the contractor for agricultural or ground water replenishment use if an equal quantity of water imported from a watershed not tributary to the contractor's area is delivered within the contractor's boundaries for such use.

In providing for the delivery of surplus water to contractors pursuant to this subdivision, the State shall refuse to deliver such surplus water to any contractor to the extent that the State determines that such delivery would tend to encourage the development of an economy within the area served by such contractor which would be dependent upon the sustained delivery of water in excess of the contractor's maximum annual entitlement. In no event shall the quantity of surplus water made available in any year prior to 1986 to any contractor under this subdivision exceed the difference between its annual entitlement for that year and its maximum annual entitlement, except that, subject to provisions of the immediately preceding sentence, with respect to any contractor which under Table A of its contract is scheduled to receive its maximum annual entitlement prior to 1978, the quantity of surplus water made available in any year prior to 1986 under this subdivision may exceed such difference by not more than 3,000 acre-feet.

Surplus water for agricultural and ground water replenishment use shall be furnished at prices which will return to the State the variable operation, maintenance, power and replacement components of the Delta Water Charge and Transportation Charge incurred in such service of surplus water as determined by the State. Surplus water delivered under this subdivision shall be limited to the quantity of water which can be delivered without adversely affecting the reliability, or increasing the cost, of service to meet annual entitlements. A surcharge shall be added to the rate for surplus water furnished to excess land in an amount and under the conditions specified in Article 30 of this contract. Contracts made pursuant to this subdivision may exceed one year in duration.

Except as herein modified, the provisions of Article 21 of this contract are hereby confirmed, and all surplus water not specifically allocated pursuant to this subdivision shall be sold under the provisions of Article 21. Nothing in this subdivision shall limit the right of the Agency to increase its annual entitlements as otherwise provided in this contract.

As used in this subdivision "ground water replenishment use" shall mean the use of project water exclusively by direct application to spreading basins, streambeds, or through other means of direct artifical recharge for the purpose of replenishing overdrawn ground water basins.

(b) Surcharge Credit

Notwithstanding other provisions of this contract, the State may include provisions in water supply contracts allowing a credit to a contractor not to exceed the surcharge to be paid by such contractor: *Provided,* That such credit shall be utilized to reduce the cost of water for agricultural use on other than excess land at a uniform rate per acre-foot not to exceed two dollars ($2) per acre-foot. Any contract including provisions pursuant to this subdivision shall assure that the reductions in the contractors obligations authorized by this subdivision are made available exclusively for the benefit of agricultural use on land other than excess land and are not directly or indirectly made available for the benefit of agricultural use on excess land.

For the purpose of this contract, the surcharge credit shall be determined and applied in the following manner:

(1) The Agency or any retail agency shall reduce the toll for each acre-foot of project water put to agricultural use on other than excess land by a surcharge credit which shall be determined by dividing the total amount of the surcharge collected by the agency in any year by the total number of acre-feet of project water put to agricultural use on other than excess land within the agency: *Provided,* That the surcharge credit shall not exceed two dollars ($2).

(2) For the purpose of preventing any reduction in the cost of project water put to use on excess land the tolls charged by the Agency or any retail agency for project water put to agricultural use on other than excess land shall be less than the tolls charged for project water put to use on excess land by an amount equal to the sum of the surcharge and the surcharge credit, and the Agency agrees not to take any action with respect to the taxing or assessment of property which will nullify or tend to nullify the differential in tolls required by this subdivision.

(3) In the event that a water user commingles project water with water from other sources or receives a commingled water supply from the Agency or a retail agency that has commingled project water with water from another source, the quantity of water upon which the surcharge credit is to be determined shall be the product of the amount of water used by the water user from the commingled supply and the ratio of the amount of project water in the commingled supply to the total amount of commingled water, from which product shall be subtracted the amount of project water, if any, for which the water user is required to make payment of a surcharge under the provisions of Article 30(e) (2) of this contract.

(4) Article 30(d) of this contract is modified to read as follows:

The Agency, to the extent that it delivers project water directly to the users thereof, shall require on behalf of the State that each such user on or before February 1 of each year, commencing with the year following the year of initial water delivery: (i) certify in writing to the Agency on forms prescribed and furnished by the State the description of the excess land owned by such user upon which project water is put to agricultural or manufacturing use, and the amount of project water put to agricultural or manufacturing use on such land during the preceding year; (ii) pay to the Agency for the account of the State a surcharge for the amount of water so certified; and (iii) certify in writing to the Agency on forms prescribed and furnished by the State the description of the land other than excess land owned by such user upon which project water is put to agricultural use, and the amount of project water put to agricultural use on such land during the preceding year. The Agency to the extent that it delivers project water to a retail agency or to another agency by, through, or under which such water is delivered to a retail agency, shall require on behalf of the State that each water user served by such retail agency be required to, on or before January 15 of each year, commencing with the year following the year of initial water delivery: (i) certify in writing to the retail

agency on forms prescribed and furnished by the State the description of the excess land owned by such user upon which project water is put to agricultural or manufacturing use and the amount of project water put to agricultural or manufacturing use on such land during the preceding year; (ii) pay to the retail agency for the account of the State a surcharge for the amount of project water so certified; and (iii) certify in writing to the Agency on forms prescribed and furnished by the State the description of the land other than excess land owned by such user upon which project water is put to agricultural use, and the amount of project water put to agricultural use on such land during the preceding year. The Agency and retail agency shall be entitled to rely upon the certifications furnished them by water users pursuant to this subdivision, unless notified by the State as to the inaccuracy of any such certification. Payments made to the Agency pursuant to this subdivision, together with the certifications supporting such payments, shall be forwarded to the State on or before March 1 of the year in which they are received. Payments made to a retail agency pursuant to this subdivision, together with the certifications supporting such payments, shall on behalf of the State be required to be forwarded to the Agency, which shall in turn forward them to the State on or before March 1 of the year in which they are received; except that where project water has been delivered to the retail agency by, through, or under any agency or agencies other than the Agency, such payments and certifications shall on behalf of the State be required to be forwarded by the retail agency to the agency from which it received project water and by that agency, et seq., to the Agency, which shall forward them to the State on or before March 1 of the year in which they are received.

(5) Commencing with the year following the year of initial water delivery, the State shall include in the written statement of charges furnished to the Agency for the succeeding year a reduction of charges equal to the total amount of the surcharge credit to which water users within the Agency were entitled during the year preceding the year in which such statement is made. After receiving such statement, the Agency shall credit the accounts of or make refunds to the water users of one-half of the surcharge credit due them effective not later than February 1 of the succeeding year and the balance not later than August 1 of that year.

(6) The remedies provided in Article 30(g) of this contract shall also be available to the State for the enforcement of this subdivision as against any retail agency or other agency by, through, or under which project water is delivered to a retail agency, or any water user.

(7) Where project water is delivered by the Agency to a retail agency or to another agency by, through or under which project water is delivered to a retail agency, the Agency shall include the provisions of this subdivision 45(b) in any such contract and shall require its inclusion by any such agency in contracts under which it furnishes water to other agencies to the end that such provisions shall be included in any contract through which project water is furnished to a retail agency.

(8) This subdivision 45(b) shall be separable from all other provisions in this contract, and in the event that any or all of the provisions of this subdivision are in any manner or to any extent held to be invalid by final judgment or decree of a court of competent jurisdiction, such holding and such invalidity shall in no way affect the validity of, or make invalid, any other provision of this contract.

(c) Payment of Capital Cost Component of the Transportation Charge

The Agency shall completely pay its total allocated capital cost component of the Transportation Charge, together with interest thereon, within the project repayment period.

Notwithstanding any conflicting provisions in Articles 24(c), 24(e), and 29(b), the Agency's payments under the capital cost component of the Transportation Charge shall be determined as follows: The State shall determine a unit rate per acre-foot which will return to the State, during the project repayment period, the capital cost component of the Transportation Charge allocated to the Agency and interest thereon, computed at the project interest rate and compounded annually: *Provided,* That all unpaid interest shall be accumulated at the project interest rate, compounded annually, and added to the Agency's allocated capital costs. The Agency's annual payment for the capital cost component shall be the product of the unit rate and the Agency's annual entitlement. The Agency's repayment schedule for the capital cost component and the unit rate shall be set forth in Table D of this contract: *Provided,* That the amounts set forth in Table D shall be subject to redetermination by the State pursuant to Article 28. Payments by the Agency under the capital cost component of the Transportation Charge shall commence in the year of initial water delivery.

(d) Capacity in Transportation Facilities

The State shall provide sufficient capacity in the transportation facilities, subject to the provisions of Article 17(b), to deliver 18 percent of the Agency's annual entitlement in any month.

(e) Adjustment of Annual Entitlements

(1) Subject to approval by the State and similar rights of other contractors, the Agency may increase its annual entitlement for any year in which local water supplies available to the Agency are deficient due to climatic conditions up to the amount of its maximum annual entitlement: *Provided,* That such increase in delivery of water shall not interfere with the delivery of their respective annual entitlements to other contractors.

(2) In a year in which the Agency is unable to accept an amount of project water equal to its annual entitlement for that year because of above-average local water supply available to the Agency due to climatic conditions which occur subsequent to a year in which the Agency has increased its annual entitlement pursuant to paragraph (1) of this subdivision, the Agency may make a reduction in its annual entitlement which shall not exceed the sum of all prior increases in annual entitlement made under paragraph (1) of this subdivision less the sum of all prior decreases in annual entitlement made under this subdivision.

(3) In the event that, due to conditions of above-average local water supply available to the Agency because of favorable climatic conditions, the Agency in any year is unable to accept an amount of project water equal to its annual entitlement for said year as set forth in Table A of this contract the Agency shall remain obligated to make all payments required under this contract, including the capital cost component and the minimum operation, maintenance, power and replacement component of the Delta Water Charge: *Provided,* That the Agency's annual entitlement for said year is not reduced under the provision of paragraph (2) of this subdivision.

(4) In a year in which local water supplies available to the Agency are deficient because of climatic conditions which occur subsequent to a year in which deliveries to the Agency have been decreased under paragraph (3) of this subdivision the Agency may request and the State shall, consistent with similar rights of other contractors, deliver project water in an amount greater than the annual entitlement set forth for that year in Table A of this contract but not to exceed the sum of all prior amounts of project water not delivered to the Agency, but for which the Agency has paid the capital cost component and the minimum operation, maintenance, power and replacement component of the Delta Water Charge under paragraph (3) of this subdivision, less the sum of all prior deliveries of project water to the Agency under the provisions of this subdivision: *Provided.* That the sum of the annual entitlement of the Agency for that year and the amount of water delivered to the Agency in excess of its annual entitlement under this subdivision shall not exceed the maximum annual entitlement of the Agency: *Provided further,* That such increase in delivery of water shall not interfere with the delivery to other contractors of their respective annual entitlements.

(5) Notwithstanding provisions of Article 22, payments by the Agency pursuant to paragraphs (2) and (4) of this subdivision shall be such that the total payments to the State for the capital cost and minimum operation, maintenance, power and replacement components of the Delta Water Charge during the project repayment period shall be the same as if no change in annual entitlement had been made under paragraph (1) of this subdivision and no decrease in water delivery had been made under paragraph (3) of this subdivision.

(i) In the event of a decreased annual entitlement to the Agency under paragraph (2) of this subdivision, the Agency shall, in addition to the Delta Water Charge computed pursuant to Article 22(d), pay an amount which shall be the product of the amount of the decrease in the annual entitlement and the difference in the capital cost and minimum operation, maintenance, power and replacement components of the Delta Water Charge for that year and the same components of the Delta Water Charge for the appropriate year in which the annual entitlement was increased under paragraph (1) of this subdivision. The appropriate year for which the annual entitlement was so increased shall be the earliest year not offset by a decrease of annual entitlement pursuant to paragraph (2) of this subdivision.

(ii) In a year in which an increased quantity of water is furnished under paragraph (4) of this subdivision, the Delta Water Charge shall be computed pursuant to Article 22(d), and in addition the Agency shall pay an amount which shall be the product of such increase in quantity and the difference in the capital costs and minimum operation, maintenance, power and replacement components of the Delta Water Charge for that

year and the same components of the Delta Water Charge for the appropriate previous year in which the delivery was less than the annual entitlement as provided under paragraph (3) of this subdivision. The appropriate previous year shall be the earliest year in which such water was not delivered under paragraph (3) of this subdivision which has not been offset by increased delivery under paragraph (4) of this subdivision.

(iii) For the purposes of this subdivision, the capital cost and minimum operation, maintenance, power and replacement components of the Delta Water Charge prior to December 31, 1969, shall be deemed to be three dollars and fifty cents ($3.50) per acre-foot of water less the variable operation, maintenance, power and replacement component rate computed under Article 22(c).

(f) Amendment of Article 1(k)

Subdivision (k) of Article 1 is amended to read as follows:

(k) Minimum Project Yield

"Minimum project yield" shall mean the dependable annual supply of project water to be made available, estimated to be 4,230,000 acre-feet per year, said amount to be determined by the State on the basis of coordinated operation studies of initial project conservation facilities and additional project conservation facilities, which studies shall be based upon:

(1) The estimated relative proportion of deliveries for agricultural use to deliveries for municipal use for the year 1990, and the characteristic distributions of demands for these two uses throughout the year.

(2) An allowable reduction in the agricultural use portion of the minimum project yield, due to drought, of not to exceed fifty percent (50%) in any one year, nor a total of one hundred percent (100%) of one year's supply in any series of seven consecutive years.

(3) Agreements now in effect or as hereafter amended or supplemented between the State and the United States and others regarding the diversion or utilization of waters of the Delta or Streams tributary thereto.

(g) Amendment of Article 16(a)

Subdivision (a) of Article 16 is amended to read as follows:

(a) Limit on Total of all Maximum Annual Entitlements

The Agency's maximum annual entitlement hereunder, together with the maximum annual entitlements of all other contractors, shall aggregate no more than the minimum project yield as defined herein and in no event more than 4,230,000 acre-feet of project water.

(h) Deletion of Article 8

Article 8, entitled "Option to Increase Maximum Annual Entitlement", on page four of the printed portion of this contract is hereby deleted. The numeration of the articles following Article 8 shall remain unchanged.

TABLE A

ANNUAL ENTITLEMENTS
OAK FLAT WATER DISTRICT

Year	Total Annual Amount in Thousands of Acre-feet
1	2.3
2	2.5
3	2.6
4	2.8
5	2.9
6	3.1
7	3.2
8	3.4
9	3.5
10	3.7
11	3.9
12	4.0
13	4.2
14	4.3
15	4.5
16	4.6
17	4.8
18	4.9
19	5.1
20	5.2
21	5.4
22	5.6
23	5.7
and each succeeding year thereafter, for the term of this contract as a Maximum Annual Entitlement:	5.7

TABLE H

PROJECT TRANSPORTATION FACILITIES
OAK FLAT WATER DISTRICT

The California Aqueduct extending to Orestimba Creek, to the extent such aqueduct is determined by the State to be required for water transportation.

TABLE I

AQUEDUCT REACHES
OAK FLAT WATER DISTRICT

Aqueduct Reach	Major Features of Reach
Delta through Bethany Reservoir:	Intake Canal Fish Protective Facilities Delta Pumping Plant (Pumping Plant I) Aqueduct Bethany Reservoir
Bethany Reservoir to Orestimba Creek:	Aqueduct

IN WITNESS, WHEREOF, the parties hereto have executed this contract on the date first above written.

Approved as to legal form and sufficiency:

P. G. Tourner

Chief Counsel
Department of Water Resources
P. O. Box 388
Sacramento, California

STATE OF CALIFORNIA
THE RESOURCES AGENCY
DEPARTMENT OF WATER RESOURCES

By E. Warne
Director

Attest:

Lawrence D. Harrison
Secretary
Oak Flat Water District
P. O. Box 37
Westley, California

OAK FLAT WATER DISTRICT

By John McConnell
President

PALMDALE IRRIGATION DISTRICT

Location and Size

The District is located in and around the city of Palmdale on the southern edge of the Antelope Valley portion of the Mojave Desert, about 40 miles north of the city of Los Angeles. The District, as of July 1, 1964, had an area of 73,000 acres and a population of approximately 20,000.

Water Supply and Utilization

Water supplies in the Palmdale Irrigation District are obtained at the present time by the pumping of ground water and by the diversions of surface flow from Little Rock Creek. About 6 percent of the present supply of water is used by agriculture with 94 percent being used for municipal and industrial purposes. By 1970 it is expected that water use in the District will be wholly urban.

Items of Contract Information Unique to Agency

Date of Contract - Preamble

February 2, 1963

Agency's Principal Place of Business - Preamble

Palmdale

Estimated Year of Initial Water Delivery - Article 6(a)

1972

Date of Request as to Delivery Structures - Article 10(b)

June 30, 1963

Limit on Instantaneous Rate of Delivery - Article 12(c)

21 cfs (Increased by Amendment No. 2 to 24 cfs.)

NOTES AND COMMENTS

E. SPECIAL PROVISIONS AND TABLES

45. SPECIAL PROVISIONS

(a) On or before June 30, 1963, the Agency shall furnish to the State its written request specifying the year in which the first delivery of project water from the East Branch Aqueduct as defined in Table H of this contract shall be made to the Agency. The timing of first deliveries of project water from said Branch Aqueduct shall be as so requested by the Agency: *Provided,* That in the event said request is, in the judgment of the State, incompatible with similar requests received from other contractors to be served from or through said Branch Aqueduct, which contractors have executed contracts with the State on or before June 30, 1963, the timing of first deliveries of project water to the Agency and such other contractors from said Branch Aqueduct shall be as established by mutual agreement among the State, the Agency, and said contractors: *Provided further,* That if such agreement has not been reached on or before December 31, 1963, the State may then construct said Branch Aqueduct in accordance with such construction schedules as, in the judgment of the State, will best serve the interests of all those contractors whose service areas are located south of the South Portal of the Tehachapi Tunnels and which have executed contracts with the State on or before June 30, 1963.

(b) The State shall provide sufficient capacity in the transportation facilities to deliver the Agency's Maximum Annual Entitlement at a continuous flow subject to the provisions of Article 17 (b). No capacity shall be provided for peaking.

(c) The annexations to the Agency, authorized by Resolution No. 63-1 of the Board of Directors of the Agency dated January 14, 1963, are deemed to be approved by the department within the meaning of Article 15(b) and are generally described as the South Antelope Valley lands annexation, comprising approximately 100 square miles, situated easterly of the Agency and along the southern part of Antelope Valley.

(d) Notwithstanding the provisions of Article 2, this contract shall not become effective until approved by the District Securities Commission.

TABLE A

ANNUAL ENTITLEMENTS
PALMDALE IRRIGATION DISTRICT

Year	Total annual amount in acre-feet
1	1,500
2	2,700
3	3,900
4	5,100
5	6,300
6	7,500
7	8,500
8	9,300
9	10,000
10	10,500
11	11,000
12	11,500
13	12,000
14	12,500
15	13,000
16	13,500
17	14,000
18	14,500
19	15,000
and each succeeding year thereafter, for the term of this contract as a Maximum Annual Entitlement:	15,000

TABLE H

PROJECT TRANSPORTATION FACILITIES
PALMDALE IRRIGATION DISTRICT

A San Joaquin Valley–Southern California Aqueduct extending to Little Rock Creek on the East Branch Aqueduct defined below, to the extent such aqueduct is determined by the State to be required for water transportation.

> **"East Branch Aqueduct"** shall mean that portion of the San Joaquin Valley–Southern California Aqueduct specified in Section 12934(d) (2) of the Water Code extending from the Junction of East and West Branches to a terminus in the vicinity of Perris, Riverside County.

TABLE I

AQUEDUCT REACHES
PALMDALE IRRIGATION DISTRICT

Aqueduct Reach	Major Features of Reach
Delta to Discharge Delta Pumping Plant:	Intake Canal Fish Protective Facilities Delta Pumping Plant (Pumping Plant I)
Discharge Delta Pumping Plant to San Luis Forebay:	Aqueduct
San Luis Forebay:	San Luis Forebay and Forebay Dam
San Luis Forebay to Kettleman City:	Aqueduct Mile 18 Pumping Plant
Kettleman City to Avenal Gap:	Aqueduct
Avenal Gap to Buena Vista Pumping Plant:	Aqueduct
Buena Vista Pumping Plant to Wheeler Ridge Pumping Plant I:	Buena Vista Pumping Plant Aqueduct
Wheeler Ridge Pumping Plant I to Tehachapi Pumping Plant:	Wheeler Ridge Pumping Plant I Wheeler Ridge Pumping Plant II Aqueduct
Tehachapi Pumping Plant to South Portal Tehachapi Tunnels:	Tehachapi Pumping Plant (Pumping Plant VI) Tehachapi Tunnels
South Portal Tehachapi Tunnels to Junction, East and West Branches:	Cottonwood Power Plant Aqueduct
EAST BRANCH	
Junction, East and West Branches to Little Rock Creek:	Aqueduct

IN WITNESS WHEREOF, the parties hereto have executed this contract on the date first above written.

Approved as to legal form and sufficiency:

P. A. Towner

Chief Counsel
Department of Water Resources
P.O. Box 388
Sacramento, California

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

William E. Warne

Director

Attest:

Jessie J. Sloan

Secretary
Palmdale Irrigation District
2005 East Avenue Q
Palmdale, California

PALMDALE IRRIGATION DISTRICT

By Russell E. Franzen

President

Approved as to form and execution:

Frank E. Jenney

Counsel

STATE OF CALIFORNIA

DEPARTMENT OF WATER RESOURCES

AMENDMENT NO. 1 TO WATER SUPPLY
CONTRACT BETWEEN THE STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES AND
PALMDALE IRRIGATION DISTRICT

THIS CONTRACT, made this 15th day of November 1963, pursuant to the provisions of the California Water Resources Development Bond Act, the State Central Valley Project Act, and other applicable laws of the State of California, between the State of California, acting by and through its Department of Water Resources, herein referred to as the "State," and Palmdale Irrigation District, a public agency in the State of California, duly organized, existing, and acting pursuant to the laws thereof with its principal place of business in Palmdale, California, herein referred to as the "Agency,"

WITNESSETH, That:

WHEREAS, the State is authorized to construct and operate facilities for the storage and conveyance of water, certain of which facilities will make water available to the Agency; and

WHEREAS, the State and the Agency have entered into a water supply contract, dated February 2, 1963, providing that the State shall supply certain quantities of water to the Agency, and providing that the Agency shall make certain payments to the State, and setting forth the terms and conditions of such supply and such payment; and

WHEREAS, the State and the Agency are desirous of making certain changes and additions to the above-mentioned contract, while otherwise continuing the contract in full force and effect;

NOW THEREFORE, it is mutually agreed that the following changes and additions are hereby made to the Agency's water supply contract with the State:

Article 46 is added to the contract to read as follows:

46. Amendatory Provisions

a. Surplus Water

Notwithstanding other provisions of this contract, surplus water for agricultural and ground water replenishment use shall be offered to contractors on the following basis. Before surplus water is sold for other than agricultural and ground water replenishment use, each contractor shall have the right, subject to the ability of the State to deliver such water, to contract for agricultural and ground water replenishment use for a portion of the total amount of surplus water available in any year, in an amount which bears the same ratio to the total amount of surplus water available in that year as the sum of the annual entitlements delivered to the contractor for agricultural and ground water replenishment use during the preceding three years bears to the total amount of the annual entitlements delivered for agricultural and ground water replenishment use during the preceding three years of all contractors requesting surplus water: Provided, That if its proportion of such surplus water is not required by or cannot be delivered to any contractor, such amount of additional surplus water shall be offered to other contractors for agricultural and

ground water replenishment use. During the first three years in which project water is deliver to a contractor, the State shall determine the amount of surplus water which the contractor may obtain based on the contractor's maximum annual entitlement and the estimated percentage of its annual entitlement to be delivered for agricultural and ground water replenishment use; but quantities so determined shall not exceed the contractor's annual entitlement for that year. For the purpose of computing the portion of the surplus water for agricultural and ground water replenishment use to which each contractor is entitled, the State shall determine the amounts of water used for agricultural and ground water replenishment use by each contractor in each year: Provided, That each contractor shall furnish certified copies of such records and data concerning the use of water within its boundaries as the State may request.

Surplus water for agricultural and ground water replenishment use shall be furnished at prices which will return to the State the variable operation, maintenance, power, and replacement components of the Delta Water Charge and Transportation Charge incurred in such service of surplus water as determined by the Sta A surcharge shall be added to the rate for surplus water furnished to excess land in an amount and under the conditions specified in Article 30 of this contract. Contracts made pursuant to this subdivision may exceed one year in duration.

Except as herein modified, the provisions of Article 21 of this contract are hereby confirmed, and all surplus water not specifically allocated pursuant to this subdivision shall be sold

under the provisions of Article 21.

As used in this subdivision "ground water replenishment use" shall mean the use of project water exclusively by direct application to spreading basins, streambeds, or through other means of direct artificial recharge for the purpose of replenishing overdrawn ground water basins.

b. Surcharge Credit

Notwithstanding other provisions of this contract, the State may include provisions in water supply contracts allowing a credit to a contractor not to exceed the surcharge to be paid by such contractor: Provided, That such credit shall be utilized to reduce the cost of water for agricultural use on other than excess land at a uniform rate per acre-foot not to exceed two dollars ($2) per acre-foot. Any contract including provisions pursuant to this subdivision shall assure that the reductions in the contractors' obligations authorized by this subdivision are made available exclusively for the benefit of agricultural use on land other than excess land and are not directly or indirectly made available for the benefit of agricultural use on excess land.

IN WITNESS WHEREOF, the parties hereto have executed this contract on the date first above written.

Approved as to legal form and sufficiency:

Chief Counsel
Department of Water Resources

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

By _____
Director

Attest:

Secretary
Palmdale Irrigation District
2005 East Avenue Q
Palmdale, California

PALMDALE IRRIGATION DISTRICT

By _____
President

By _____

Approved as to form and execution:

Counsel

STATE OF CALIFORNIA

DEPARTMENT OF WATER RESOURCES

AMENDMENT NO. 2 TO WATER SUPPLY
CONTRACT BETWEEN THE STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES AND
PALMDALE IRRIGATION DISTRICT

THIS CONTRACT, made this 28th day of September, 1964, pursuant to the provisions of the California Water Resources Development Bond Act, the State Central Valley Project Act, and other applicable laws of the State of California, between the State of California, acting by and through its Department of Water Resources, herein referred to as the "State," and Palmdale Irrigation District, a public agency in the State of California, duly organized, existing, and acting pursuant to the laws thereof with its principal place of business in Palmdale, California, herein referred to as the "Agency,"

WITNESSETH, That:

WHEREAS, the State is authorized to construct and operate facilities for the storage and conveyance of water, certain of which facilities will make water available to the Agency; and

WHEREAS, the State and the Agency have entered into a water supply contract, dated February 2, 1963, as amended November 15, 1963, providing that the State shall supply certain quantities of water to the Agency, and providing that the Agency shall make certain payments to the State, and setting forth the terms and conditions of such supply and such payment; and

WHEREAS, the maximum annual entitlements under all contracts executed by the State on or before December 31, 1963, did not aggregate the amount of the minimum project yield as defined in such water supply contract; and

WHEREAS, the Agency has elected to become entitled to a certain amount of the uncontracted for portion of the minimum project yield under the provisions of Article 8 of the above-mentioned contract and the State has determined that the Agency can put the water involved to beneficial use within a reasonable period of time; and

WHEREAS, the State and the Agency are desirous of making certain other changes and additions to such contract, while otherwise continuing the contract in full force and effect;

NOW THEREFORE, it is mutually agreed that the following changes and additions are hereby made to the Agency's water supply contract with the State:

1. Subdivision (k) of Article 1 is amended to read as follows:

(k) Minimum Project Yield

"Minimum project yield" shall mean the dependable annual supply of project water to be made available, estimated to be 4,230,000 acre-feet per year, said amount to be determined by the State on the basis of coordinated operation studies of initial project conservation facilities and additional project conservation facilities, which studies shall be based upon:

(1) The estimated relative proportion of deliveries for agricultural use to deliveries for municipal use for the year

1990, and the characteristic distributions of demands for these two uses throughout the year.

(2) An allowable reduction in the agricultural use portion of the minimum project yield, due to drought, of not to exceed fifty percent (50%) in any one year, nor a total of one hundred percent (100%) of one year's supply in any series of seven consecutive years.

(3) Agreements now in effect or as hereafter amended or supplemented between the State and the United States and others regarding the diversion or utilization of waters of the Delta or streams tributary thereto.

2. Table A of the contract entitled "Annual Entitlements Palmdale Irrigation District" is amended to read as follows:

TABLE A

ANNUAL ENTITLEMENTS
PALMDALE IRRIGATION DISTRICT

Year	Total Annual Amount in Acre-feet
1	1,620
2	2,940
3	4,260
4	5,580
5	6,900
6	8,220
7	9,340
8	10,260
9	11,180
10	11,700
11	12,320
12	12,940
13	13,560
14	14,180
15	14,800
16	15,420
17	16,040
18	16,660
19	17,300
And each succeeding year thereafter, for the term of this contract:	17,300

3. Subdivision (c) of Article 12 is amended to read as follows:

(c) Limit on Rate of Delivery to Agency

In no event shall the State be obligated to deliver water to the Agency through all delivery structures at a total combined instantaneous rate of flow exceeding twenty four (24) cubi feet per second, except as this rate of flow may be revised by amendment of this article after submission to the State of the Agency's requests with respect to maximum flow capacities to be provided in said delivery structures, pursuant to Article 10.

4. Subdivision (a) of Article 16 is amended to read as as follows:

(a) Limit on Total of All Maximum Annual Entitlements

The Agency's maximum annual entitlement hereunder, together with the maximum annual entitlements of all other contractors, shall aggregate no more than the minimum project yield as defined herein and in no event more than 4,230,000 acre-feet of project water.

5. Article 46 is amended to read as follows:

46. Amendatory Provisions

(a) Surplus Water

Notwithstanding other provisions of this contract, surplus water for agricultural and ground water replenishment use shall be offered to contractors on the following basis. Before surplus water is sold for other than agricultural and ground water replenishment use, each contractor shall have the right, subject to the ability of the State to deliver such water and to the provisions of the next succeeding paragraph, to contract for agricultural and ground water replenishment use for a portion of the total amount of surplus water available in any year, in an amount which bears the same ratio to the total amount of surplus water available in that year as the sum of the annual entitlements, set forth in Table A of this contract, delivered to the contractor for agricultural and ground water replenishment use during the preceding three years bears to the total amount of such annual entitlements delivered for agricultural and ground water replenishment use during the preceding three years of all contractors requesting surplus water: Provided, That if its proportion of such surplus water is not required by or cannot be delivered to

any contractor, such amount of additional surplus water shall be offered to other contractors for agricultural and ground water replenishment use. During the first three years in which project water is delivered to a contractor, the State shall determine the amount of surplus water which the contractor may obtain based on the contractor's maximum annual entitlement and the estimated percentage of its annual entitlement to be delivered for agricultural and ground water replenishment use; but quanitites so determined shall not exceed the contractor's annual entitlement for that year. For the purpose of computing the portion of the surplus water for agricultural and ground water replenishment use to which each contractor is entitled, the State shall determine the amounts of water used for agricultural and ground water replenishment use by each contractor in each year: Provided, That each contractor shall furnish certified copies of such records and data concerning the use of water within its boundaries as the State may request.

The provisions of this paragraph shall be applicable only to contractors in the San Joaquin Valley Service Area, contractors in the Southern California Service Area, and contractors in the Central Coastal Service Area. Before surplus water is sold for other than agricultural and ground water replenishment use, each such contractor shall have the right, subject to the ability of the State to deliver such water, to contract for agricultural and ground water replenishment use in accordance with the following formula: contractors in the San Joaquin Valley Service Area shall have a right to contract for sixty-nine percent (69%) of the surplus water available at the Mile 18 Pumping Plant;

contractors in the Southern California Service Area shall have a right to contract for twenty-nine percent (29%) of such water; and contractors in the Central Coastal Service Area shall have a right to contract for two percent (2%) of such water: Provided, That within each of these service areas, each contractor shall have the right to contract for agricultural and ground water replenishment use for a portion of the total amount of surplus water available to that service area in any year, in an amount which bears the same ratio to the total amount of surplus water available to the service area in that year as the sum of the annual entitlements, set forth in Table A of this contract, delivered to the contractor for agricultural and ground water replenishment use during the preceding three years bears to the total amount of such annual entitlements delivered for agricultural and ground water replenishment use during the preceding three years of all contractors in that service area requesting surplus water: Provided, further, That if its proportion of such surplus water is not required by or cannot be delivered to any contractor, such amount of additional surplus water shall be offered to other contractors for agricultural and ground water replenishment use. During the first three years in which project water is delivered to a contractor, the State shall determine the amount of surplus water which the contractor may obtain based on the contractor's maximum annual entitlement and the estimated percentage of its annual entitlement to be delivered for agricultural and ground water replenishment use; but quantities so determined shall not exceed the contractor's annual entitlement for that year. As used in this paragraph, "contractors in the

San Joaquin Service Area" shall mean: Devil's Den Water District, Dudley Ridge Water District, Empire West Side Irrigation District, Hacienda Water District, Kern County Water Agency, and Tulare Lake Basin Water Storage District; "contractors in the Southern California Service Area" shall mean: Antelope Valley-East Kern Water Agency, City of West Covina, Coachella Valley County Water District, Crestline-Lake Arrowhead Water Agency, Desert Water Agency, Littlerock Creek Irrigation District, Mojave Water Agency, Palmdale Irrigation District, San Bernardino Valley Municipal Water District, San Gabriel Valley Municipal Water District, San Gorgonio Pass Water Agency, The Metropolitan Water District of Southern California, Upper Santa Clara Valley Water Agency, and Ventura County Flood Control District; "contractors in the Central Coastal Service Area" shall mean: San Luis Obispo County Flood Control and Water Conservation District and Santa Barbara County Flood Control and Water Conservation District.

The provision of this paragraph shall be applicable only to a contractor to which the delivery of project water for municipal use as of 1990 is estimated by the State to be in excess of fifty percent (50%) of such contractor's maximum annual entitlement. For the purpose of fixing such contractor's right to delivery of surplus water, water from a watershed not tributary to the contractor's area which is delivered within the contractor's boundaries for agricultural or ground water replenishment use shall be deemed to be part of the contractor's annual entitlement delivered for such use in computing the quantity of surplus water

to which the contractor is entitled under this subdivision: Provided, That the contractor shall not be deemed to have used more than its annual entitlement, as set forth in Table A, for such use. Surplus water shall be deemed to be used by the contractor for agricultural or ground water replenishment use if an equal quantity of water imported from a watershed not tributary to the contractor's area is delivered within the contractor's boundaries for such use.

In providing for the delivery of surplus water to contractors pursuant to this subdivision, the State shall refuse to deliver such surplus water to any contractor to the extent that the State determines that such delivery would tend to encourage the development of an economy within the area served by such contractor which would be dependent upon the sustained delivery of water in excess of the contractor's maximum annual entitlement. In no event shall the quantity of surplus water made available in any year prior to 1986 to any contractor under this subdivision exceed the difference between its annual entitlement for that year and its maximum annual entitlement, except that, subject to provisions of the immediately preceding sentence, with respect to any contractor which under Table A of its contract is scheduled to receive its maximum annual entitlement prior to 1978, the quantity of surplus water made available in any year prior to 1986 under this subdivision may exceed such difference by not more than 3,000 acre-feet.

Surplus water for agricultural and ground water replenishment use shall be furnished at prices which will return to the

State the variable operation, maintenance, power, and replacement components of the Delta Water Charge and Transportation Charge incurred in such service of surplus water as determined by the State. Surplus water delivered under this subdivision shall be limited to the quantity of water which can be delivered without adversely affecting the reliability, or increasing the cost, of service to meet annual entitlements. A surcharge shall be added to the rate for surplus water furnished to excess land in an amount and under the conditions specified in Article 30 of this contract. Contracts made pursuant to this subdivision may exceed one year in duration.

Except as herein modified, the provisions of Article 21 of this contract are hereby confirmed, and all surplus water not specifically allocated pursuant to this subdivision shall be sold under the provisions of Article 21. Nothing in this subdivision shall limit the right of the Agency to increase its annual entitlements as otherwise provided in this contract.

As used in this subdivision "ground water replenishment use" shall mean the use of project water exclusively by direct application to spreading basins, streambeds, or through other means of direct artificial recharge for the purpose of replenishing overdrawn ground water basins.

(b) Surcharge Credit

Notwithstanding other provisions of this contract, the State may allow a credit to each contractor not to exceed the surcharge paid by such contractor.

For the purpose of this contract, the surcharge credit shall be determined and applied in the following manner:

(1) The State shall, in each year after the year of initial water delivery, allow a credit to the Agency in the amount of the surcharge forwarded by the Agency to the State in the preceding year.

(2) The Agency shall not establish water rates, or tax or assessment rates, so as to cause the surcharge credit to be passed on to water users in a manner which will bring about a greater reduction in the cost per acre-foot of project water put to use on excess land than such cost of project water put to use on other than excess land.

This subdivision 46(b) shall be separable from all other provisions in this contract, and in the event that any or all of the provisions of this subdivision are in any manner or to any extent held to be invalid by final judgment or decree of a court of competent jurisdiction, such holding and such invalidity shall in no way affect the validity of, or make invalid, any other provision of this contract.

IN WITNESS WHEREOF, the parties hereto have executed this contract on the date first above written:

Approved as to legal form and sufficiency:

J. A. Townsend
Chief Counsel
Department of Water Resources

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

By William E. Warne

Approved as to form and execution:

Paul W. Thompson

PALMDALE IRRIGATION DISTRICT

By James J. Sloan

PLUMAS COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

Location and Size

The District encompasses all of Plumas County with the exception of the Last Chance Creek Water District. The District has an area of 1,657,000 acres and as of July 1, 1964, had an estimated population of 12,500.

Water Supply and Utilization

Existing water supplies in the proposed service area of the District consist of the municipal supply development of the City of Portola and domestic wells and springs serving the Delleker Area. Additional water can best be obtained from streams through the development of storage facilities. The most feasible source of such water is considered to be Lake Davis, a feature of the State Water Facilities. Water use in the area is and will continue to be for municipal and industrial purposes.

Items of Contract Information Unique to Agency

Date of Contract _ Preamble

December 26, 1963

Agency's Principal Place of Business - Preable

Quincy

Estimated Year of Initial Water Delivery - Article 6(a)

1967

Date of Request as to Delivery Structures - Article 10(b)

March 1, 1965

Limit on Instantaneous Rate of Delivery - Article 12(c)

8.25 cfs

NOTES AND COMMENTS

E. SPECIAL PROVISIONS AND TABLES

45. SPECIAL PROVISIONS

(a) Notwithstanding other provisions of this contract, the State may include provisions in water supply contracts allowing a credit to a contractor not to exceed the surcharge to be paid by such contractor: *Provided,* That such credit shall be utilized to reduce the cost of water for agricultural use on other than excess land at a uniform rate per acre-foot not to exceed two dollars ($2) per acre-foot. Any contract including provisions pursuant to this subdivision shall assure that the reductions in the contractors' obligations authorized by this subdivision are made available exclusively for the benefit of agricultural use on land other than excess land and are not directly or indirectly made available for the benefit of agricultural use on excess land.

(b) Notwithstanding other provisions of this contract, nothing herein contained shall be construed as a waiver by the Agency of any rights it may have under the area of origin statutes or as estopping or otherwise preventing the Agency or any person, firm, association, corporation, or public body or agency claiming by, through, or under the Agency from asserting by litigation or other lawful means the validity, constitutionality, construction, or application of any law of this State, including laws referred to in the Bond Act, or as preventing or prejudicing the right of any such entity to oppose the amendment or repeal of any such law.

(c) "Project transportation facilities" shall mean those project facilities appurtenant to the dam and reservoir specified in Water Code Section 12934(d) (1) in the vicinity of Grizzly Valley in Plumas County which are necessary for the transportation of water from said reservoir and which are described in Table H of this contract.

(d) Notwithstanding the provisions of Article 1(q), project water shall not be deemed to be available for delivery to the Agency pursuant to this contract until water has been stored for a period of twelve (12) months in Grizzly Valley Reservoir after completion of Grizzly Valley Dam for such storage, or in any event before 1967.

(e) Article 10(b) is modified to provide that the written requests as to subdivisions (1) through (6) thereof must be furnished to the State on or before March 1, 1965, only if delivery of project water through project transportation facilities is to be scheduled in the year of initial water delivery. If such delivery is not so scheduled, project water made available to the Agency pursuant to Article 6 will be delivered at delivery structures established at points adjacent to the natural flow channel of Big Grizzly Creek downstream from Grizzly Valley Dam and the Agency shall furnish to the State on or before March 1, 1967, its written request as to subdivisions (1) through (6) of such Article 10(b): *Provided,* That the Agency shall furnish to the State on or before March 1 of the second year preceding the year in which project water will be delivered from or through project transportation facilities, or any reach thereof, the information required under such subdivisions (1) through (6) as to any other or additional delivery structures to be established.

(f) Notwithstanding the provisions of Article 10(d), any delivery structure requested by the Agency, if in the opinion of the State such structure will not interfere with or adversely affect any project facilities or the operation thereof, may be designed, constructed, operated, and maintained by the Agency, subject to prior written approval by the State of plans and specifications for such structure: *Provided,* That the provisions of Article 10(d) shall apply to all delivery structures constructed by the State.

(g) Notwithstanding the provisions of Article 11, measuring devices and equipment to be installed in any delivery structure constructed by the Agency, pursuant to subdivision (f) of this article, which are required to measure quantities of water delivered to the Agency, may be acquired and installed by the Agency but shall be maintained and operated by the State: *Provided,* That such measuring devices and equipment as may be acquired and installed by the Agency shall be satisfactory and acceptable to the State, and shall be installed under the supervision of the State: *Provided further,* That said devices and equipment shall be examined, tested and serviced regularly by the State to insure their accuracy, and that at any time or times the Agency or any other contractor may inspect such devices and equipment, and the measurements and records taken therefrom: *Provided further,* That the provisions of Article 11 shall apply to all measuring devices and equipment acquired and installed by the State.

(h) The provisions of Article 12(a) (1) of this contract are modified to provide that the preliminary water delivery schedule submitted on or before October 1 of each year need indicate the amounts of water desired by the Agency during each month of the succeeding year only, instead of the succeeding five years.

(i) Notwithstanding the provisions of Article 12, project water supplied to the Agency pursuant to this contract shall be supplied on a delivery schedule which will ensure that the ratio of project water delivered each year to the Agency's total supply of water for such year equals or exceeds the average of the ratios that project water bore to the Agency's total water supply during June, July, August, and September of the three preceding years: *Provided,* That the provisions of this subdivision shall not apply to the Agency's delivery schedule for the three years of initial project water delivery under this contract.

(j) Notwithstanding the provisions of Article 13(a), neither the State nor any of its officers, agents, or employees shall be liable for the control, carriage, handling, use, disposal, or distribution of project water supplied to the Agency after such water has reached delivery structures constructed by the Agency pursuant to subdivision (f) of this article; nor for claims of damage of any nature whatsoever arising out of or connected with the control, carriage, handling, use, disposal, or distribution of such water after such water has reached such delivery structures; and the Agency shall indemnify and hold harmless the State and its officers, agents, and employees from any such damages or claims of damage.

(k) Notwithstanding the provisions of Article 13(b), neither the Agency nor any of its officers, agents, or employees shall be liable for the control, carriage, handling, use, disposal, or distribution of project water before such water has reached the delivery structures constructed by the Agency pursuant to subdivision (f) of this article; nor for claims of damage of any nature whatsoever arising out of or connected with the control, carriage, handling, use, disposal, or distribution of such water before it has reached said delivery structures.

(l) For the purposes of subdivisions (m) and (n) of this article, dealing with construction of the project transportation facilities, the term "Upper Reach" shall mean that portion of the project transportation facilities beginning at Grizzly Valley Dam and extending downstream a distance of about two miles to an elevation of about 5,600 feet above mean sea level, and the term "Lower Reach" shall mean that portion of such pipeline commencing at the downstream end of the Upper Reach and extending therefrom for a distance of about four miles to the vicinity of the City of Portola.

(m) The provisions of Article 17(a) are modified as follows:

The Upper Reach shall be constructed to a continuous flow capacity not exceeding 8.25 cubic feet per second, and the Lower Reach to a continuous flow capacity not exceeding 7.4 cubic feet per second: *Provided,* That if the Agency requests delivery capacity in any reach of the project transportation facilities in excess of the continuous flow capacity set forth in this subdivision, the Agency shall furnish to the State, in advance of the construction of such reach, funds sufficient to cover the costs of providing such excess capacity: *Provided further,* That the Agency shall assume all responsibility for the construction and maintenance of any terminal storage reservoir needed to facilitate delivery of project water or for other purposes.

(n) Construction of each reach of the project transportation facilities and the incurring of capital costs therefor by the State shall be scheduled only upon receipt by the State of a written request to proceed from the Agency stating the date delivery of water is to commence through such reach: *Provided,* That such requested date of delivery shall be at least two years after the date of such written request: *Provided further,* That in any event the State shall construct the Upper Reach so that delivery of project water therefrom may commence not later than 1970, and shall construct the Lower Reach so that delivery therefrom may commence not later than 1980: *Provided further,* That, in lieu of construction by the State, the Agency may elect to construct both the Upper Reach and the Lower Reach by furnishing written notice of such election to the State prior to 1968, and may elect to construct the Lower Reach only by written notice to the State prior to 1978: *Provided further,* That payments of the Transportation Charge for any reach of the project transportation facilities for the construction of which the State incurs capital costs, and of the Delta Water Charge shall continue for the term of this contract.

TABLE A

ANNUAL ENTITLEMENTS
PLUMAS COUNTY FLOOD CONTROL
AND
WATER CONSERVATION DISTRICT

Year	Total Annual Entitlement in Acre-Feet
1*	250
2	270
3	300
4	440
5	470
6	500
7	530
8	560
9	590
10	620
11	650
12	680
13	710
14	740
15	770
16	800
17	830
18	860
19	890
20	920
21	960
22	1,000
23	1,040
24	1,080
25	1,120
26	1,160
27	1,200
28	1,250
29	1,300
30	1,350
31	1,400
32	1,450
33	1,510
34	1,570
35	1,630

TABLE A (Continued)

ANNUAL ENTITLEMENTS
PLUMAS COUNTY FLOOD CONTROL
AND
WATER CONSERVATION DISTRICT

Year	Total Annual Entitlement in Acre-Feet
36	1,690
37	1,750
38	1,810
39	1,880
40	1,950
41	2,020
42	2,090
43	2,160
44	2,240
45	2,320
46	2,410
47	2,500
48	2,600
49	2,700

and each succeeding year thereafter, for the term of this contract as a Maximum Annual Entitlement.

*Year of initial water delivery.

TABLE H

PROJECT TRANSPORTATION FACILITIES
PLUMAS COUNTY FLOOD CONTROL AND
WATER CONSERVATION DISTRICT

A pipeline extending from Grizzly Valley Dam and Reservoir to the vicinity of the City of Portola. This pipeline will be about 6 miles long.

TABLE I

AQUEDUCT REACHES
PLUMAS COUNTY FLOOD CONTROL AND
WATER CONSERVATION DISTRICT

Aqueduct Reach	Major Features of Reach
Aqueduct Reach	Major features of reach
Upper Reach	Pipeline from Grizzly Valley Dam downstream to elevation about 5,600 feet
Lower Reach	Pipeline from about 5,600 feet elevation to the vicinity of the City of Portola

IN WITNESS WHEREOF, the parties hereto have executed this contract on the date first above written.

Approved as to legal form and sufficiency:

R. I. Dannitz
Chief Counsel
Department of Water Resources
P. O. Box 388
Sacramento, California

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

By William E. Warne
Director

Attest:

Lois Kehrer
County Clerk and Ex Officio Clerk
Plumas County Flood Control and
Water Conservation District
Plumas County Court House
Quincy, California

PLUMAS COUNTY FLOOD CONTROL
AND WATER CONSERVATION
DISTRICT

By E. Stumpkey
Chairman, Board of Directors

Approved as to form:

Adolph Moskovitz
Special Counsel

STATE OF CALIFORNIA

DEPARTMENT OF WATER RESOURCES

AMENDMENT NO. 1 TO THE WATER SUPPLY
CONTRACT BETWEEN THE STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES AND
PLUMAS COUNTY FLOOD CONTROL AND
WATER CONSERVATION DISTRICT

THIS CONTRACT, made this 29th day of September, 1964, pursuant to the provisions of the California Water Resources Development Bond Act, the State Central Valley Project Act, and other applicable laws of the State of California, between the State of California, acting by and through its Department of Water Resources, herein referred to as the "State," and Plumas County Flood Control and Water Conservation District, a public agency in the State of California, duly organized, existing, and acting pursuant to the laws thereof with its principal place of business in Quincy, California, herein referred to as the "Agency,"

WITNESSETH, That:

WHEREAS, the State is authorized to construct and operate facilities for the storage and conveyance of water, certain of which facilities will make water available to the Agency; and

WHEREAS, the State and the Agency have entered into a water supply contract, dated December 26, 1963, providing that the State shall supply certain quantities of water to the Agency, and providing that the Agency shall make certain payments to the State, and setting forth the terms and conditions of such supply and such payment and

WHEREAS, the State and the Agency are desirous of making certain changes and additions to such contract, while otherwise continuing the contract in full force and effect;

NOW THEREFORE, it is mutually agreed that the following changes and additions are hereby made to the Agency's water supply contract with the State:

1. Subdivision (k) of Article 1 is amended to read as follows:

(k) "Minimum project yield" shall mean the dependable annual supply of project water to be made available, estimated to be 4,230,000 acre-feet per year, said amount to be determined by the State on the basis of coordinated operation studies of initial project conservation facilities and additional project conservation facilities, which studies shall be based upon:

(1) The estimated relative proportion of deliveries for agricultural use to deliveries for municipal use for the year 1990, and the characteristic distributions of demands for these two uses throughout the year.

(2) An allowable reduction in the agricultural use portion of the minimum project yield, due to drought, of not to exceed fifty percent (50%) in any one year, nor a total of one hundred percent (100%) of one year's supply in any series of seven consecutive years.

(3) Agreements now in effect or as hereafter amended or supplemented between the State and the United States and others regarding the diversion or utilization of waters of the Delta or streams tributary thereto.

2. Subdivision (a) of Article 16 is amended to read as follows:

(a) The Agency's maximum annual entitlement hereunder, together with the maximum annual entitlements of all other contractors, shall aggregate no more than the minimum project yield as defined herein and in no event more than 4,230,000 acre-feet of project water.

3. Subdivision (a) of Article 45 is amended to read as follows:

(a) Notwithstanding other provisions of this contract, the State may allow a credit to each contractor not to exceed the surcharge paid by such contractor.

For the purpose of this contract, the surcharge credit shall be determined and applied in the following manner:

(1) The State shall, in each year after the year of initial water delivery, allow a credit to the Agency in the amount of the surcharge forwarded by the Agency to the State in the preceding year.

(2) The Agency shall not establish water rates, or tax or assessment rates, so as to cause the surcharge credit to be passed on to water users in a manner which will bring about a greater reduction in the cost per acre-foot of project water put to use on excess land than such cost of project water put to use on other than excess land.

This subdivision 45(a) shall be separable from all other provisions in this contract, and in the event that any or all of the provisions of this subdivision are in any manner or to any

extent held to be invalid by final judgment or decree of a court of competent jurisdiction, such holding and such invalidity shall in no way affect the validity of, or make invalid, any other provision of this contract.

IN WITNESS WHEREOF, the parties hereto have executed this contract on the date first above written.

Approved as to legal form and sufficiency:

P. G. Towner

Chief Counsel
Department of Water Resources

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

By Wm. E. Warne

Director

Attest:

Lois Kehrer

County Clerk and Ex-officio Clerk
Plumas County Flood Control and
Water Conservation District
Plumas County Court House
Quincy, California

PLUMAS COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, a political subdivision of the State of California

By E. J. Thompkins

Approved as to form:

Adolph Moskowitz

Special Counsel

SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT

Location and Size

The San Gabriel Valley Municipal Water District is in Los Angeles County and encompasses the cities of Alhambra, Azusa, Monterey Park and Sierra Madre. As of July 1, 1964, the District had an area of approximately 16,000 acres and a population of about 145,900.

Water Supply and Utilization

Each of the four cities in the District obtains its water supply from the underlying ground water basin. The current levels of replenishment and extractions in the ground water basins underlying the District are nearly in balance. Water from the State Water Project will be utilized to meet future increased needs.

Items of Contract Information Unique to Agency

Date of Contract - Preamble

November 3, 1962

Agency's Principal Place of Business - Preamble

Alhambra

Estimated Year of Initial Water Delivery - Article 6(a)

1972

Date of Request as to Delivery Structures - Article 10(b)

June 30, 1963

Limit on Instantaneous Rate of Delivery - Article 12(c)

35 cfs (Increased by Amendment No. 2 to 48 cfs.)

NOTES AND COMMENTS

E. SPECIAL PROVISIONS AND TABLES

45. SPECIAL PROVISIONS

(a) On or before June 30, 1963, the Agency shall furnish to the State its written request specifying the year in which the first delivery of project water from the East Branch Aqueduct as defined in Table H of this contract shall be made to the Agency. The timing of first deliveries of project water from said Branch Aqueduct shall be as so requested by the Agency: *Provided,* That in the event said request is, in the judgment of the State, incompatible with similar requests received from other contractors to be served from or through said Branch Aqueduct, which contractors have executed contracts with the State on or before June 30, 1963, the timing of first deliveries of project water to the Agency and such other contractors from said Branch Aqueduct shall be as established by mutual agreement among the State, the Agency, and said contractors: *Provided further,* That if such agreement has not been reached on or before December 31, 1963, the State may then construct said Branch Aqueduct in accordance with such construction schedules as, in the judgment of the State, will best serve the interests of all those contractors whose service areas are located south of the South Portal of the Tehachapi Tunnels and which have executed contracts with the State on or before June 30, 1963.

(b) The State shall provide sufficient capacity in the transportation facilities to deliver the Agency's Maximum Annual Entitlement at a continuous flow subject to the provisions of Article 17 (b). No capacity shall be provided for peaking.

(c) Payments which under Article 29 are due in 1963, with interest at the project interest rate compounded annually, shall be made in two equal installments, concurrently with the comparable payments due under this contract in 1964.

TABLE A

ANNUAL ENTITLEMENTS
SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT

Year	Total annual amount In acre-feet
1	10,600
2	11,500
3	12,300
4	13,100
5	14,000
6	14,800
7	15,700
8	16,600
9	17,400
10	18,300
11	19,100
12	19,900
13	20,700
14	21,500
15	22,200
16	22,900
17	23,600
18	24,300
19	25,000
and each succeeding year thereafter, for the term of this contract as a Maximum Annual Entitlement:	25,000

TABLE H

PROJECT TRANSPORTATION FACILITIES
SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT

A San Joaquin Valley–Southern California Aqueduct extending to Devil Canyon Power Plant 2 on the East Branch Aqueduct defined below, to the extent such aqueduct is determined by the State to be required for water transportation.

"**East Branch Aqueduct**" shall mean that portion of the San Joaquin Valley–Southern California Aqueduct specified in Section 12934(d) (2) of the Water Code extending from the Junction of East and West Branches to a terminus in the vicinity of Perris, Riverside County.

TABLE I

AQUEDUCT REACHES
SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT

Aqueduct Reach	Major Features of Reach
Delta to Discharge Delta Pumping Plant:	Intake Canal Fish Protective Facilities Delta Pumping Plant (Pumping Plant I)
Discharge, Delta Pumping Plant to San Luis Forebay:	Aqueduct
San Luis Forebay to Kettleman city:	San Luis Forebay and Forebay Dam Aqueduct Mile 18 Pumping Plant
Kettleman city to Avenal Gap:	Aqueduct
Avenal Gap to Buena Vista Pumping Plant:	Aqueduct
Buena Vista Pumping Plant to Wheeler Ridge Pumping Plants I and II:	Buena Vista Pumping Plant Aqueduct
Wheeler Ridge Pumping Plants I and II to Tehachapi Pumping Plant:	Wheeler Ridge Pumping Plant I Wheeler Ridge Pumping Plant II
Tehachapi Pumping Plant to South Portal Tehachapi Tunnels:	Tehachapi Pumping Plant (Pumping Plant VI) Tehachapi Tunnels
South Portal Tehachapi Tunnels to Junction, East and West Branches	Aqueduct Cottonwood Power Plant Aqueduct
EAST BRANCH	
Junction, East and West Branches to Little Rock Creek:	Aqueduct
Little Rock Creek to West Fork Mojave River:	Pearblossom Pumping Plant Aqueduct
West Fork to Cedar Springs Reservoir:	Cedar Springs Dam Cedar Springs Reservoir Aqueduct
Cedar Springs Reservoir to tailrace Devil Canyon Power Plant 2:	San Bernardino Tunnel Devil Canyon Power Plant 1 Devil Canyon Power Plant 2

IN WITNESS WHEREOF, the parties hereto have executed this contract on the date first above
itten:

proved as to legal form and
fficiency:

P. C. Young

ief Counsel
partment of Water Resources
O. 388
cramento, California

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

By William E. Warne
Director

test:

Boyd Stern

cretary-Treasurer
n Gabriel Valley Municipal Water District
1 South First Street
hambra, California

SAN GABRIEL VALLEY MUNICIPAL
WATER DISTRICT

By David S. Wood
President

pproved as to form and execution:

Emmett A. Toner

ounsel

STATE OF CALIFORNIA

DEPARTMENT OF WATER RESOURCES

AMENDMENT NO. 1 TO WATER SUPPLY
CONTRACT BETWEEN THE STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES AND
SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT

THIS CONTRACT, made this 30th day of October 1963, pursuant to the provisions of the California Water Resources Development Bond Act, the State Central Valley Project Act, and other applicable laws of the State of California, between the State of California, acting by and through its Department of Water Resources, herein referred to as the "State," and San Gabriel Valley Municipal Water District, a public agency in the State of California, duly organized, existing, and acting pursuant to the laws thereof with its principal place of business in Alhambra, California, herein referred to as the "Agency,"

WITNESSETH, That:

WHEREAS, the State is authorized to construct and operate facilities for the storage and conveyance of water, certain of which facilities will make water available to the Agency; and

WHEREAS, the State and the Agency have entered into a water supply contract, dated November 3, 1962, providing that the State shall supply certain quantities of water to the Agency, and providing that the Agency shall make certain payments to the State, and setting forth the terms and conditions of such supply and such payment; and

WHEREAS, the State and the Agency are desirous of making certain changes and additions to the above-mentioned contract, while otherwise continuing the contract in full force and effect;

NOW THEREFORE, it is mutually agreed that the following changes and additions are hereby made to the Agency's water supply contract with the State:

Article 46 is added to the contract to read as follows:

46. Amendatory Provisions

a. Surplus Water

Notwithstanding other provisions of this contract, surplus water for agricultural and ground water replenishment use shall be offered to contractors on the following basis. Before surplus water is sold for other than agricultural and ground water replenishment use, each contractor shall have the right, subject to the ability of the State to deliver such water, to contract for agricultural and ground water replenishment use for a portion of the total amount of surplus water available in any year, in an amount which bears the same ratio to the total amount of surplus water available in that year as the sum of the annual entitlements delivered to the contractor for agricultural and ground water replenishment use during the preceding three years bears to the total amount of the annual entitlements delivered for agricultural and ground water replenishment use during the preceding three years of all contractors requesting surplus water: Provided, That if its proportion of such surplus water is not required by or cannot be delivered to any contractor, such amount of additional surplus water shall be offered to other contractors for agricultural and

ground water replenishment use. During the first three years in which project water is deliver to a contractor, the State shall determine the amount of surplus water which the contractor may obtain based on the contractor's maximum annual entitlement and the estimated percentage of its annual entitlement to be delivered for agricultural and ground water replenishment use; but quantities so determined shall not exceed the contractor's annual entitlement for that year. For the purpose of computing the portion of the surplus water for agricultural and ground water replenishment use to which each contractor is entitled, the State shall determine the amounts of water used for agricultural and ground water replenishment use by each contractor in each year: Provided, That each contractor shall furnish certified copies of such records and data concerning the use of water within its boundaries as the State may request.

Surplus water for agricultural and ground water replenishment use shall be furnished at prices which will return to the State the variable operation, maintenance, power, and replacement components of the Delta Water Charge and Transportation Charge incurred in such service of surplus water as determined by the Sta A surcharge shall be added to the rate for surplus water furnished to excess land in an amount and under the conditions specified in Article 30 of this contract. Contracts made pursuant to this subdivision may exceed one year in duration.

Except as herein modified, the provisions of Article 21 of this contract are hereby confirmed, and all surplus water not specifically allocated pursuant to this subdivision shall be sold

under the provisions of Article 21.

As used in this subdivision "ground water replenishment use" shall mean the use of project water exclusively by direct application to spreading basins, streambeds, or through other means of direct artificial recharge for the purpose of replenishing overdrawn ground water basins.

b. Surcharge Credit

Notwithstanding other provisions of this contract, the State may include provisions in water supply contracts allowing a credit to a contractor not to exceed the surcharge to be paid by such contractor: Provided, That such credit shall be utilized to reduce the cost of water for agricultural use on other than excess land at a uniform rate per acre-foot not to exceed two dollars ($2) per acre-foot. Any contract including provisions pursuant to this subdivision shall assure that the reductions in the contractors' obligations authorized by this subdivision are made available exclusively for the benefit of agricultural use on land other than excess land and are not directly or indirectly made available for the benefit of agricultural use on excess land.

IN WITNESS WHEREOF, the parties hereto have executed this contract on the date first above written.

Approved as to legal form and sufficiency:

P. A. Towner
Chief Counsel
Department of Water Resources

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

By William E. Warne
Director

Attest:

Secretary-Treasurer
San Gabriel Valley Municipal Water District
111 South First Street
Alhambra, California

SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT

By David S. Wood
President

By _____

Approved as to form and execution:

Counsel

STATE OF CALIFORNIA
THE RESOURCES AGENCY
DEPARTMENT OF WATER RESOURCES

AMENDMENT NO. 2 TO WATER SUPPLY
CONTRACT BETWEEN THE STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES AND
SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT

THIS CONTRACT, made this 28th day of September, 1964, pursuant to the provisions of the California Water Resources Development Bond Act, the State Central Valley Project Act, and other applicable laws of the State of California, between the State of California, acting by and through its Department of Water Resources, herein referred to as the "State," and San Gabriel Valley Municipal Water District, a public agency in the State of California, duly organized, existing, and acting pursuant to the laws thereof with its principal place of business in Alhambra, California, herein referred to as the "Agency,"

WITNESSETH, That:

WHEREAS, the State is authorized to construct and operate facilities for the storage and conveyance of water, certain of which facilities will make water available to the Agency; and

WHEREAS, the State and the Agency have entered into a water supply contract, dated November 3, 1962, as amended October 30, 1963, providing that the State shall supply certain quantities of water to the Agency, and providing that the Agency shall make

certain payments to the State, and setting forth the terms and conditions of such supply and such payment; and

WHEREAS, the maximum annual entitlements under all contracts executed by the State on or before December 31, 1963, did not aggregate the amount of the minimum project yield as define in such water supply contract; and

WHEREAS, the Agency has elected to become entitled to a certain amount of the uncontracted for portion of the minimum project yield under the provisions of Article 8 of the above-mentioned contract and the State has determined that the Agency can put the water involved to beneficial use within a reasonable period of time; and

WHEREAS, the State and the Agency are desirous of making certain other changes and additions to such contract, while otherwise continuing the contract in full force and effect;

NOW THEREFORE, it is mutually agreed that the following changes and additions are hereby made to the Agency's water supply contract with the State:

1. Subdivision (k) of Article 1 is amended to read as follows:

(k) Minimum Project Yield

"Minimum project yield" shall mean the dependable annual supply of project water to be made available, estimated to be 4,230,000 acre-feet per year, said amount to be determined by the State on the basis of coordinated operation studies of initial project conservation facilities and additional project conservation facilities, which studies shall be based upon:

(1) The estimated relative proportion of deliveries for agricultural use to deliveries for municipal use for the year 1990, and the characteristic distributions of demands for these two uses throughout the year.

(2) An allowable reduction in the agricultural use portion of the minimum project yield, due to drought, of not to exceed fifty percent (50%) in any one year, nor a total of one hundred percent (100%) of one year's supply in any series of seven consecutive years.

(3) Agreements now in effect or as hereafter amended or supplemented between the State and the United States and others regarding the diversion or utilization of waters of the Delta or streams tributary thereto.

2. Table A of the contract entitled "Annual Entitlements San Gabriel Valley Municipal Water District" is amended to read as follows:

TABLE A

ANNUAL ENTITLEMENTS
SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT

Year	Total Annual Amount in Acre-feet
1	10,600
2	11,500
3	12,300
4	13,100
5	14,000
6	14,800
7	15,700
8	16,600
9	17,400
10	18,300
11	19,100
12	19,900
13	20,700
14	21,800
15	23,200
16	24,600
17	26,000
18	27,400
19	28,800
And each succeeding year thereafter, for the term of this contract:	28,800

3. Subdivision (c) of Article 12 is amended to read as follows:

(c) Limit on Rate of Delivery to Agency

In no event shall the State be obligated to deliver water to the Agency through all delivery structures at a total combined instantaneous rate of flow exceeding forty-eight (48) cubic feet per second, except as this rate of flow may be revised by amendment of this article after submission to the State of the Agency's requests with respect to maximum flow capacities to be provided in said delivery structures, pursuant to Article 10.

4. Subdivision (a) of Article 16 is amended to read as follows:

(a) Limit on Total of All Maximum Annual Entitlements

The Agency's maximum annual entitlement hereunder, together with the maximum annual entitlements of all other contractors, shall aggregate no more than the minimum project yield as defined herein and in no event more than 4,230,000 acre-feet of project water.

5. Subdivision (b) of Article 45 is amended to read as follows:

(b) The State shall provide sufficient capacity in the transportation facilities, subject to the provisions of Article 17(b), to deliver 10 percent of the Agency's annual entitlement in each of 9.6 months of each year. Subject to the foregoing limitation, in scheduling deliveries under Article 12(a), the State will provide for up to 16 percent of the Agency's annual entitlement to be delivered in excess of a rate of 8-1/3 percent of the annual entitlement per month.

6. Article 46 is amended to read as follows:

46. Amendatory Provisions

(a) Surplus Water

Notwithstanding other provisions of this contract, surplus water for agricultural and ground water replenishment use shall be offered to contractors on the following basis. Before surplus water is sold for other than agricultural and ground water replenishment use, each contractor shall have the right, subject to the ability of the State to deliver such water and to the provisions of the next succeeding paragraph, to contract

for agricultural and ground water replenishment use for a portion of the total amount of surplus water available in any year, in an amount which bears the same ratio to the total amount of surplus water available in that year as the sum of the annual entitlements, set forth in Table A of this contract, delivered to the contractor for agricultural and ground water replenishment use during the preceding three years bears to the total amount of such annual entitlements delivered for agricultural and ground water replenishment use during the preceding three years of all contractors requesting surplus water: Provided, That if its proportion of such surplus water is not required by or cannot be delivered to any contractor, such amount of additional surplus water shall be offered to other contractors for agricultural and ground water replenishment use. During the first three years in which project water is delivered to a contractor, the State shall determine the amount of surplus water which the contractor may obtain based on the contractor's maximum annual entitlement and the estimated percentage of its annual entitlement to be delivered for agricultural and ground water replenishment use; but quantities so determined shall not exceed the contractor's annual entitlement for that year. For the purpose of computing the portion of the surplus water for agricultural and ground water replenishment use to which each contractor is entitled, the State shall determine the amounts of water used for agricultural and ground water replenishment use by each contractor in each year: Provided, That each contractor shall furnish certified copies of such records and data concerning the use of water within its boundaries as the State may request.

The provisions of this paragraph shall be applicable only to contractors in the San Joaquin Valley Service Area, contractors in the Southern California Service Area, and contractors in the Central Coastal Service Area. Before surplus water is sold for other than agricultural and ground water replenishment use, each such contractor shall have the right, subject to the ability of the State to deliver such water, to contract for agricultural and ground water replenishment use in accordance with the following formula: contractors in the San Joaquin Valley Service Area shall have a right to contract for sixty-nine percent (69%) of the surplus water available at the Mile 18 Pumping Plant; contractors in the Southern California Service Area shall have a right to contract for twenty-nine percent (29%) of such water; and contractors in the Central Coastal Service Area shall have a right to contract for two percent (2%) of such water: Provided, That within each of these service areas, each contractor shall have the right to contract for agricultural and ground water replenishment use for a portion of the total amount of surplus water available to that service area in any year, in an amount which bears the same ratio to the total amount of surplus water available to the service area in that year as the sum of the annual entitlements, set forth in Table A of this contract, delivered to the contractor for agricultural and ground water replenishment use during the preceding three years bears to the total amount of such annual entitlements delivered for agricultural and ground water replenishment use during the preceding three years of all contractors in that service area requesting surplus water: Provided, further, That if its proportion of such surplus water is not

required by or cannot be delivered to any contractor, such amount of additional surplus water shall be offered to other contractors for agricultural and ground water replenishment use. During the first three years in which project water is delivered to a contractor, the State shall determine the amount of surplus water which the contractor may obtain based on the contractor's maximum annual entitlement and the estimated percentage of its annual entitlement to be delivered for agricultural and ground water replenishment use; but quantities so determined shall not exceed the contractor's annual entitlement for that year. As used in this paragraph, "contractors in the San Joaquin Service Area" shall mean: Devil's Den Water District, Dudley Ridge Water District, Empire West Side Irrigation District, Hacienda Water District, Kern County Water Agency, and Tulare Lake Basin Water Storage District; "contractors in the Southern California Service Area" shall mean: Antelope Valley-East Kern Water Agency, City of West Covina, Coachella Valley County Water District, Crestline-Lake Arrowhead Water Agency, Desert Water Agency, Littlerock Creek Irrigation District, Mojave Water Agency, Palmdale Irrigation District, San Bernardino Valley Municipal Water District, San Gabriel Valley Municipal Water District, San Gorgonio Pass Water Agency, The Metropolitan Water District of Southern California, Upper Santa Clara Valley Water Agency, and Ventura County Flood Control District; "contractors in the Central Coastal Service Area" shall mean: San Luis Obispo County Flood Control and Water Conservation District and Santa Barbara County Flood Control and Water Conservation District.

The provision of this paragraph shall be applicable only to a contractor to which the delivery of project water for municipal use as of 1990 is estimated by the State to be in excess of fifty percent (50%) of such contractor's maximum annual entitlement. For the purpose of fixing such contractor's right to delivery of surplus water, water from a watershed not tributary to the contractor's area which is delivered within the contractor's boundaries for agricultural or ground water replenishment use shall be deemed to be part of the contractor's annual entitlement delivered for such use in computing the quantity of surplus water to which the contractor is entitled under this subdivision: Provided, That the contractor shall not be deemed to have used more than its annual entitlement, as set forth in Table A, for such use. Surplus water shall be deemed to be used by the contractor for agricultural or ground water replenishment use if an equal quantity of water imported from a watershed not tributary to the contractor's area is delivered within the contractor's boundaries for such use.

In providing for the delivery of surplus water to contractors pursuant to this subdivision, the State shall refuse to deliver such surplus water to any contractor to the extent that the State determines that such delivery would tend to encourage the development of an economy within the area served by such contractor which would be dependent upon the sustained delivery of water in excess of the contractor's maximum annual entitlement. In no event shall the quantity of surplus water made available in any year prior to 1986 to any contractor under this subdivision

exceed the difference between its annual entitlement for that year and its maximum annual entitlement, except that, subject to provisions of the immediately preceding sentence, with respect to any contractor which under Table A of its contract is scheduled to receive its maximum annual entitlement prior to 1978, the quantity of surplus water made available in any year prior to 1986 under this subdivision may exceed such difference by not more than 3,000 acre-feet.

Surplus water for agricultural and ground water replenishment use shall be furnished at prices which will return to the State the variable operation, maintenance, power, and replacement components of the Delta Water Charge and Transportation Charge incurred in such service of surplus water as determined by the State. Surplus water delivered under this subdivision shall be limited to the quantity of water which can be delivered without adversely affecting the reliability, or increasing the cost, of service to meet annual entitlements. A surcharge shall be added to the rate for surplus water furnished to excess land in an amount and under the conditions specified in Article 30 of this contract. Contracts made pursuant to this subdivision may exceed one year in duration.

Except as herein modified, the provisions of Article 21 of this contract are hereby confirmed, and all surplus water not specifically allocated pursuant to this subdivision shall be sold under the provisions of Article 21. Nothing in this subdivision shall limit the right of the Agency to increase its annual entitlements as otherwise provided in this contract.

As used in this subdivision "ground water replenishment use" shall mean the use of project water exclusively by direct application to spreading basins, streambeds, or through other means of direct artificial recharge for the purpose of replenishing overdrawn ground water basins.

(b) Surcharge Credit

Notwithstanding other provisions of this contract, the State may allow a credit to each contractor not to exceed the surcharge paid by such contractor.

For the purpose of this contract, the surcharge credit shall be determined and applied in the following manner:

(1) The State shall, in each year after the year of initial water delivery, allow a credit to the Agency in the amount of the surcharge forwarded by the Agency to the State in the preceding year.

(2) The Agency shall not establish water rates, or tax or assessment rates, so as to cause the surcharge credit to be passed on to water users in a manner which will bring about a greater reduction in the cost per acre-foot of project water put to use on excess land than such cost of project water put to use on other than excess land.

This subdivision 46(b) shall be separable from all other provisions in this contract, and in the event that any or all of the provisions of this subdivision are in any manner or to any extent held to be invalid by final judgment or decree of a court of competent jurisdiction, such holding and such invalidity shall in no way affect the validity of, or make invalid, any other provision of this contract.

IN WITNESS WHEREOF, the parties hereto have executed this contract on the date first above written.

Approved as to legal form and sufficiency:

P. A. Towner

Chief Counsel
Department of Water Resources

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

By _____
Director

Attest:

Boyd Stern

Secretary-Treasurer
San Gabriel Valley Municipal Water District

SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT

By David S. Wood
President

Approved as to form and execution:

Emmett A. Hawkins

Counsel

SAN GORGONIO PASS WATER AGENCY

Location and Size

The San Gorgonio Pass Water Agency is located in the northwestern portion of Riverside County. The Agency, as of July 1, 1964, encompassed an area of 131,000 acres and had an estimated population of 27,000.

Water Supply and Utilization

The water utilized in the Agency is obtained entirely from underlying ground water basins. In some areas in the Agency a ground water overdraft condition exists. Water imported to the Agency from the State Water Project will be used exclusively for meeting the expected increases in water requirements for municipal and industrial purposes.

Items of Contract Information Unique to Agency

Date of Contract - Preamble

November 16, 1962

Agency's Principal Place of Business - Preamble

Riverside County

Estimated Year of Initial Water Delivery - Article 6(a)

1972

Date of Request as to Delivery Structures - Article 10(b)

June 1, 1964

Limit on Instantaneous Rate of Delivery - Article 12(c)

21 cfs (Increased by Amendment No. 2 to 32 cfs.)

NOTES AND COMMENTS

E. SPECIAL PROVISIONS AND TABLES

45. SPECIAL PROVISIONS

(a) On or before June 30, 1963, the Agency shall furnish to the State its written request specifying the year in which the first delivery of project water from the East Branch Aqueduct as defined in Table H of this contract shall be made to the Agency. The timing of first deliveries of project water from said Branch Aqueduct shall be as so requested by the Agency: *Provided,* That in the event said request is, in the judgment of the State, incompatible with similar requests received from other contractors to be served from or through said Branch Aqueduct, which contractors have executed contracts with the State on or before June 30, 1963, the timing of first deliveries of project water to the Agency and such other contractors from said Branch Aqueduct shall be as established by mutual agreement among the State, the Agency, and said contractors: *Provided further,* That if such agreement has not been reached on or before December 31, 1963, the State may then construct said Branch Aqueduct in accordance with such construction schedules as, in the judgment of the State, will best serve the interests of all those contractors whose service areas are located south of the South Portal of the Tehachapi Tunnels and which have executed contracts with the State on or before June 30, 1963.

(b) The State shall provide sufficient capacity in the transportation facilities to deliver the Agency's Maximum Annual Entitlement at a continuous flow subject to the provisions of Article 17 (b). No capacity shall be provided for peaking.

(c) Prior to the time when the agency submits its request concerning location of delivery structures pursuant to Article 10 of this contract, the capital cost component of the transportation charge shall be computed on the assumption that the delivery point for the Agency, under Article 9 of this contract, will be at the West Fork of the Mojave River in the vicinity of Hesperia. If the delivery point or points for the Agency is or are finally determined to be elsewhere pursuant to Articles 9 and 10 of this contract, Tables B, H, and I shall be amended accordingly. The transportation charge shall be recomputed for all previous years to account for any such change, and charges to all agencies affected shall be adjusted as provided in Article 31.

(d) If the Agency is unable to conclude an agreement with other contracting agencies providing for joint construction of all or part of a facility to carry water in 1972 from the System to the Agency, the Agency may at its option, notwithstanding previous requests submitted under Article 10 and Subdivision(a) of this article, elect to commence receiving water in any year after the year of initial water delivery and prior to or including 1980. This option shall be exercised by giving written notice to the State on or before October 1, 1967, and Table A shall then be modified by eliminating the years and corresponding total amounts for each year prior to the year in which the agency has elected to commence receiving water pursuant to this subdivision.

(e) Payments which under Article 29 are due in 1963, with interest at the project interest rate compounded annually, shall be made in two equal installments, concurrently with the comparable payments due under this contract in 1964.

TABLE A

ANNUAL ENTITLEMENTS
SAN GORGONIO PASS WATER AGENCY

Year	Total annual amount in acre-feet
1	1,000
2	1,700
3	2,400
4	3,100
5	3,800
6	4,500
7	5,200
8	5,900
9	6,600
10	7,400
11	8,200
12	9,000
13	9,800
14	10,600
15	11,500
16	12,400
17	13,300
18	14,200
19	15,000
and each succeeding year thereafter, for the term of this contract as a Maximum Annual Entitlement:	15,000

TABLE H

PROJECT TRANSPORTATION FACILITIES
SAN GORGONIO PASS WATER AGENCY

A San Joaquin Valley–Southern California Aqueduct extending to the West Fork of the Mojave River on the East Branch Aqueduct defined below, to the extent such aqueduct is determined by the State to be required for water transportation.

"East Branch Aqueduct" shall mean that portion of the San Joaquin Valley–Southern California Aqueduct specified in Section 12934(d) (2) of the Water Code extending from the Junction of East and West Branches to a terminus in the vicinity of Perris, Riverside County.

TABLE I

AQUEDUCT REACHES
SAN GORGONIO PASS WATER AGENCY

Aqueduct Reach	Major Features of Reach
Delta to Discharge Delta Pumping Plant:	Intake Canal Fish Protective Facilities Delta Pumping Plant (Pumping Plant I)
Discharge Delta Pumping Plant to San Luis Forebay:	Aqueduct
San Luis Forebay:	San Luis Forebay and Forebay Dam
San Luis Forebay to Kettleman City:	Aqueduct Mile 18 Pumping Plant
Kettleman City to Avenal Gap:	Aqueduct
Avenal Gap to Buena Vista Pumping Plant:	Aqueduct
Buena Vista Pumping Plant to Wheeler Ridge Pumping Plant I:	Buena Vista Pumping Plant Aqueduct
Wheeler Ridge Pumping Plant I to Tehachapi Pumping Plant:	Wheeler Ridge Pumping Plant I Wheeler Ridge Pumping Plant II Aqueduct
Tehachapi Pumping Plant to South Portal Techachapi Tunnels:	Tehachapi Pumping Plant (Pumping Plant VI) Tehachapi Tunnels
South Portal Tehachapi Tunnels to Junction, East and West Branches:	Cottonwood Power Plant Aqueduct
EAST BRANCH	
Junction, East and West Branches to Little Rock Creek:	Aqueduct
Little Rock Creek to West Fork Mojave River:	Pearblossom Pumping Plant Aqueduct

IN WITNESS WHEREOF, the parties hereto have executed this contract on the date first above written.

Approved as to legal form and sufficiency:

P. G. Townsend
Chief Counsel
Department of Water Resources

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

By William E. Warne
Director

Attest:

E. F. Dibble
Secretary-Manager
560 Magnolia Avenue
Beaumont, California

SAN GORGONIO PASS WATER AGENCY

By W. E. Silverwood
President

By C. O. Baldwin
Director

Approved as to form and execution:

SURR & HELLYER

By John B. Surr

By A. C. Dysart
Director

By Geo. Gardner
Director

By Richard E. Lee
Director

By Rue Maxwell
Director

By _____
Director

STATE OF CALIFORNIA

DEPARTMENT OF WATER RESOURCES

AMENDMENT NO. 1 TO WATER SUPPLY
CONTRACT BETWEEN THE STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES AND
SAN GORGONIO PASS WATER AGENCY

THIS CONTRACT, made this 15th day of November 1963, pursuant to the provisions of the California Water Resources Development Bond Act, the State Central Valley Project Act, and other applicable laws of the State of California, between the State of California, acting by and through its Department of Water Resources, herein referred to as the "State," and San Gorgonio Pass Water Agency, a public agency in the State of California, duly organized, existing, and acting pursuant to the laws thereof with its principal place of business in Riverside County, California herein referred to as the "Agency,"

WITNESSETH, That:

WHEREAS, the State is authorized to construct and operate facilities for the storage and conveyance of water, certain of which facilities will make water available to the Agency; and

WHEREAS, the State and the Agency have entered into a water supply contract, dated November 16, 1962, providing that the State shall supply certain quantities of water to the Agency, and providing that the Agency shall make certain payments to the State, and setting forth the terms and conditions of such supply and such payment; and

WHEREAS, the State and the Agency are desirous of making certain changes and additions to the above-mentioned contract, while otherwise continuing the contract in full force and effect;

NOW THEREFORE, it is mutually agreed that the following changes and additions are hereby made to the Agency's water supply contract with the State:

Article 46 is added to the contract to read as follows:

46. Amendatory Provisions

a. Surplus Water

Notwithstanding other provisions of this contract, surplus water for agricultural and ground water replenishment use shall be offered to contractors on the following basis. Before surplus water is sold for other than agricultural and ground water replenishment use, each contractor shall have the right, subject to the ability of the State to deliver such water, to contract for agricultural and ground water replenishment use for a portion of the total amount of surplus water available in any year, in an amount which bears the same ratio to the total amount of surplus water available in that year as the sum of the annual entitlements delivered to the contractor for agricultural and ground water replenishment use during the preceding three years bears to the total amount of the annual entitlements delivered for agricultural and ground water replenishment use during the preceding three years of all contractors requesting surplus water: Provided, That if its proportion of such surplus water is not required by or cannot be delivered to any contractor, such amount of additional surplus water shall be offered to other contractors for agricultural and

ground water replenishment use. During the first three years in which project water is deliver to a contractor, the State shall determine the amount of surplus water which the contractor may obtain based on the contractor's maximum annual entitlement and the estimated percentage of its annual entitlement to be delivered for agricultural and ground water replenishment use; but quantities so determined shall not exceed the contractor's annual entitlement for that year. For the purpose of computing the portion of the surplus water for agricultural and ground water replenishment use to which each contractor is entitled, the State shall determine the amounts of water used for agricultural and ground water replenishment use by each contractor in each year: Provided, That each contractor shall furnish certified copies of such records and data concerning the use of water within its boundaries as the State may request.

Surplus water for agricultural and ground water replenishment use shall be furnished at prices which will return to the State the variable operation, maintenance, power, and replacement components of the Delta Water Charge and Transportation Charge incurred in such service of surplus water as determined by the State. A surcharge shall be added to the rate for surplus water furnished to excess land in an amount and under the conditions specified in Article 30 of this contract. Contracts made pursuant to this subdivision may exceed one year in duration.

Except as herein modified, the provisions of Article 21 of this contract are hereby confirmed, and all surplus water not specifically allocated pursuant to this subdivision shall be sold

under the provisions of Article 21.

As used in this subdivision "ground water replenishment use" shall mean the use of project water exclusively by direct application to spreading basins, streambeds, or through other means of direct artificial recharge for the purpose of replenishing overdrawn ground water basins.

b. Surcharge Credit

Notwithstanding other provisions of this contract, the State may include provisions in water supply contracts allowing a credit to a contractor not to exceed the surcharge to be paid by such contractor: Provided, That such credit shall be utilized to reduce the cost of water for agricultural use on other than excess land at a uniform rate per acre-foot not to exceed two dollars ($2) per acre-foot. Any contract including provisions pursuant to this subdivision shall assure that the reductions in the contractors' obligations authorized by this subdivision are made available exclusively for the benefit of agricultural use on land other than excess land and are not directly or indirectly made available for the benefit of agricultural use on excess land.

IN WITNESS WHEREOF, the parties hereto have executed this contract on the date first above written.

Approved as to legal form and sufficiency:

For Chief Counsel
Department of Water Resources

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

By _____
Director

SAN GORGONIO PASS WATER AGENCY

By W. E. Silverwood
President

ATTEST:

By E. F. Dibble
Secretary

STATE OF CALIFORNIA

DEPARTMENT OF WATER RESOURCES

AMENDMENT NO. 2 TO WATER SUPPLY
CONTRACT BETWEEN THE STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES AND
SAN GORGONIO PASS WATER AGENCY

THIS CONTRACT, made this 19th day of January 1965, pursuant to the provisions of the California Water Resources Development Bond Act, the State Central Valley Project Act, and other applicable laws of the State of California, between the State of California, acting by and through its Department of Water Resources, herein referred to as the "State", and San Gorgonio Pass Water Agency, a public agency in the State of California, duly organized, existing, and acting pursuant to the laws thereof with its principal place of business in Riverside County, California, herein referred to as the "Agency",

WITNESSETH, That:

WHEREAS, the State is authorized to construct and operate facilities for the storage and conveyance of water, certain of which facilities will make water available to the Agency; and

WHEREAS, the State and the Agency have entered into a water supply contract, dated November 16, 1962, as amended November 15, 1963, providing that the State shall supply certain quantities of water to the Agency, and providing that the Agency shall make certain payments to the State, and setting forth the terms and conditions of such supply and such payment; and

WHEREAS, the maximum annual entitlements under all contracts executed by the State on or before December 31, 1963, did not aggregate the amount of the minimum project yield as defined in such water supply contract; and

WHEREAS, the Agency has elected to become entitled to a certain amount of the uncontracted for portion of the minimum project yield under the provisions of Article 8 of the above-mentioned contract and the State has determined that the Agency can put the water involved to beneficial use within a reasonable period of time; and

WHEREAS, said increase in maximum annual entitlement requires minimum project yield to be increased from 4,000,000 to 4,230,000 acre-feet per year, which will result in changes in design and increases in size of facilities and capital costs; and

WHEREAS, the Agency, in addition to its obligation under the contract must also finance the construction of more than 25 miles of transportation facilities from the south portal of the San Bernardino Tunnel to the Agency's boundary prior to distribution of such water supplies; and

WHEREAS, the Agency has been informed by the State that its share of the cost of the project will not be increased as a result of increase in the minimum project yield, and has further been informed by the State that such increase in yield will bring about reductions in the Delta Water Charge and the Transportation Charge to be paid by the Agency; and

WHEREAS, the State and the Agency are desirous of making certain other changes and additions to such contract, while otherwise continuing the contract in full force and effect;

NOW THEREFORE, it is mutually agreed that the following changes and additions are hereby made to the Agency's water supply contract with the State:

1. Subdivision (k) of Article 1 is amended to read as follows:

(k) Minimum Project Yield

"Minimum project yield" shall mean the dependable annual supply of project water to be made available, estimated to be 4,230,000 acre-feet per year, said amount to be determined by the State on the basis of coordinated operation studies of initial project conservation facilities and additional project conservation facilities, which studies shall be based upon:

(1) The estimated relative proportion of deliveries for agricultural use to deliveries for municipal use for the year 1990, and the characteristic distributions of demands for these two uses throughout the year.

(2) An allowable reduction in the agricultural use portion of the minimum project yield, due to drought, of not to exceed fifty percent (50%) in any one year, nor a total of one hundred percent (100%) of one year's supply in any series of seven consecutive years.

(3) Agreements now in effect or as hereafter amended or supplemented between the State and the United States and others regarding the diversion or utilization of waters of the Delta or streams tributary thereto.

2. Table A of the contract entitled "Annual Entitlements San Gorgonio Pass Water Agency" is amended to read as follows:

TABLE A

ANNUAL ENTITLEMENTS
SAN GORGONIO PASS WATER AGENCY

Year	Total Annual Amount in Acre-feet
1	1,000
2	1,700
3	2,400
4	3,100
5	3,800
6	4,500
7	5,200
8	5,900
9	6,800
10	7,800
11	8,800
12	9,800
13	10,800
14	11,800
15	12,900
16	14,000
17	15,100
18	16,200
19	17,300
And each succeeding year thereafter, for the term of this contract:	17,300

3. Table B of the contract entitled "Allocated Proportic of Costs of Project Transportation Facilities San Gorgonio Pass Water Agency" is amended to read as follows:

TABLE B
ALLOCATED PROPORTION OF COSTS OF PROJECT TRANSPORTATION FACILITIES
SAN GORGONIO PASS WATER AGENCY

Aqueduct Reach	Total for project transportation facilities				District participation				
	Total of maximum annual entitlements of all contractors thousands of acre-feet per year 1	Total of maximum capacities in cubic feet per second 1 4	Total capital cost thousands of dollars	Minimum annual operating cost, thousands of dollars 2	Maximum annual entitlement, thousands of acre-feet per year 1	Ratio of maximum annual entitlement, to total of maximum annual entitlemsnts	Maximum capacity in cubic-feet per second 1	Ratio of maximum capacity to total capacity	Average of ratios
CALIFORNIA AQUEDUCT									
Delta to Discharge Delta Pumping Plant 3									
Discharge, Delta Pumping Plant to San Luis Forebay 3									
San Luis Forebay 3									
San Luis Forebay to Kettleman City									
Kettleman City to Avenal Gap									
Avenal Gap to Buena Vista Pumping Plant									
Buena Vista Pumping Plant to Wheeler Ridge Pumping Plant I									
Wheeler Ridge Pumping Plant I to Tehachapi Pumping Plant									
Tehachapi Pumping Plant to South Portal Tehachapi Tunnels									
South Portal Tehachapi Tunnels to Junction, East and West Branches									
EAST BRANCH									
Junction, East and West Branches to Little Rock Creek									
Little Rock Creek to West Fork Mojave River									
West Fork Mojave River to Cedar Springs Reservoir									
Cedar Springs Reservoir to South Portal of San Bernardino Tunnel									

1 As increased by an allowance to compensate for losses as provided in Article 24(b) (2).
2 Based on values as of the end of the construction period.
3 Costs allocated to water transportation.
4 State's capacity only.

4445

4. Table H of the contract entitled "Project Transportation Facilities San Gorgonio Pass Water Agency" is amended to read as follows:

TABLE H

PROJECT TRANSPORTATION FACILITIES
SAN GORGONIO PASS WATER AGENCY

A San Joaquin Valley-Southern California Aqueduct extending to the South Portal of the San Bernardino Tunnel on the East Branch Aqueduct defined below, to the extent such aqueduct is determined by the State to be required for water transportation.

"East Branch Aqueduct" shall mean that portion of the San Joaquin Valley-Southern California Aqueduct specified in Section 12934(d)(2) of the Water Code Extending from the Junction of East and West Branches to a terminus in the vicinity of Perris, Riverside County.

5. Table I of the contract entitled "Aqueduct Reaches San Gorgonio Pass Water Agency" is amended to read as follows:

TABLE I

AQUEDUCT REACHES
SAN GORGONIO PASS WATER AGENCY

Aqueduct Reach	Major Features of Reach
Delta to Discharge Delta Pumping Plant:	Intake Canal Fish Protective Facilities Delta Pumping Plant (Pumping Plant I)
Discharge Delta Pumping Plant to San Luis Forebay:	Aqueduct
San Luis Forebay:	San Luis Forebay and Forebay Dam
San Luis Forebay to Kettleman City:	Aqueduct Mile 18 Pumping Plant
Kettleman City to Avenal Gap:	Aqueduct

Aqueduct Reach	Major Features of Reach
Avenal Gap to Buena Vista Pumping Plant:	Aqueduct
Buena Vista Pumping Plant to Wheeler Ridge Pumping Plant I:	Buena Vista Pumping Plant Aqueduct
Wheeler Ridge Pumping Plant I to Tehachapi Pumping Plant:	Wheeler Ridge Pumping Plant I Wheeler Ridge Pumping Plant II Aqueduct
Tehachapi Pumping Plant to South Portal Tehachapi Tunnels:	Tehachapi Pumping Plant (Pumping Plant VI) Tehachapi Tunnels
South Portal Tehachapi Tunnels to Junction, East and West Branches	Cottonwood Power Plant Aqueduct
EAST BRANCH	
Junction, East and West Branches to Little Rock Creek:	Aqueduct
Little Rock Creek to West Fork Mojave River:	Pearblossom Pumping Plant Aqueduct
West Fork Mojave River to Cedar Springs Reservoir:	Cedar Springs Reservoir Cedar Springs Dam Aqueduct
Cedar Springs Reservoir to South Portal of San Bernardino Tunnel:	San Bernardino Tunnel

6. Subdivision (c) of Article 12 is amended to read as follows:

(c) Limit on Rate of Delivery to Agency

In no event shall the State be obligated to deliver water to the Agency through all delivery structures at a total combined instantaneous rate of flow exceeding thirty-two (32) cubic feet per second, except as this rate of flow may be revised by amendment of this article after submission to the State of the

Agency's requests with respect to maximum flow capacities to be provided in said delivery structures, pursuant to Article 10.

7. Subdivision (a) of Article 16 is amended to read as follows:

(a) Limit on Total of All Maximum Annual Entitlements

The Agency's maximum annual entitlement hereunder, together with the maximum annual entitlements of all other contractors, shall aggregate no more than the minimum project yield as defined herein and in no event more than 4,230,000 acre-feet of project water.

8. Subdivision (b) of Article 45 is amended to read as follows:

(b) The State shall provide sufficient capacity in the transportation facilities, subject to the provisions of Article 17(b), to deliver 11 percent of the Agency's annual entitlement in each of four months in each year. Subject to the foregoing limitation, in scheduling deliveries under Article 12(a) the State will provide for up to 1/9 of the Agency's annual entitlement to be delivered in excess of a rate of 8-1/3 percent of the annual entitlement per month.

9. Subdivision (c) of Article 45 is amended to read as follows:

(c) Prior to the time when the Agency submits its reques concerning location of delivery structures pursuant to Article 10 of this contract, the capital cost component of the transportation charge shall be computed on the assumption that the delivery point for the Agency, under Article 9 of this contract, will be at the

West Fork of the Mojave River in the vicinity of Hesperia. If the delivery point or points for the Agency is or are finally determined to be elsewhere pursuant to Articles 9 and 10 of this contract, Tables B, H, and I shall be amended accordingly. The transportation charge shall be recomputed for all previous years to account for any such change, and charges to all agencies affected shall be adjusted as provided in Article 28.

10. Article 46 is amended to read as follows:

46. Amendatory Provisions

(a) Surplus Water

Notwithstanding other provisions of this contract, surplus water for agricultural and ground water replenishment use shall be offered to contractors on the following basis. Before surplus water is sold for other than agricultural and ground water replenishment use, each contractor shall have the right, subject to the ability of the State to deliver such water and to the provisions of the next succeeding paragraph, to contract for agricultural and ground water replenishment use for a portion of the total amount of surplus water available in any year, in an amount which bears the same ratio to the total amount of surplus water available in that year as the sum of the annual entitlements, set forth in Table A of this contract, delivered to the contractor for agricultural and ground water replenishment use during the preceding three years bears to the total amount of such annual entitlements delivered for agricultural and ground water replenishment use during the preceding three years of all contractors requesting surplus water: Provided, That if its proportion of such surplus water is not required by or cannot be delivered to

any contractor, such amount of additional surplus water shall be offered to other contractors for agricultural and ground water replenishment use. During the first three years in which project water is delivered to a contractor, the State shall determine the amount of surplus water which the contractor may obtain based on the contractor's maximum annual entitlement and the estimated percentage of its annual entitlement to be delivered for agricultural and ground water replenishment use; but quantities so determined shall not exceed the contractor's annual entitlement for that year. For the purpose of computing the portion of the surplus water for agricultural and ground water replenishment use to which each contractor is entitled, the State shall determine the amounts of water used for agricultural and ground water replenishment use by each contractor in each year: Provided, That each contractor shall furnish certified copies of such records and data concerning the use of water within its boundaries as the State may request.

The provisions of this paragraph shall be applicable only to contractors in the San Joaquin Valley Service Area, contractors in the Southern California Service Area, and contractors in the Central Coastal Service Area. Before surplus water is sold for other than agricultural and ground water replenishment use, each such contractor shall have the right, subject to the ability of the State to deliver such water, to contract for agricultural and ground water replenishment use in accordance with the following formula: contractors in the San Joaquin Valley Service Area shall have a right to contract for sixty-nine percent

(69%) of the surplus water available at the Mile 18 Pumping Plant; contractors in the Southern California Service Area shall have a right to contract for twenty-nine percent (29%) of such water; and contractors in the Central Coastal Service Area shall have a right to contract for two percent (2%) of such water: Provided, That within each of these service areas, each contractor shall have the right to contract for agricultural and ground water replenishment use for a portion of the total amount of surplus water available to that service area in any year, in an amount which bears the same ratio to the total amount of surplus water available to the service area in that year as the sum of the annual entitlements, set forth in Table A of this contract, delivered to the contractor for agricultural and ground water replenishment use during the preceding three years bears to the total amount of such annual entitlements delivered for agricultural and ground water replenishment use during the preceding three years of all contractors in that service area requesting surplus water: Provided further, That if its proportion of such surplus water is not required by or cannot be delivered to any contractor, such amount of additional surplus water shall be offered to other contractors for agricultural and ground water replenishment use. During the first three years in which project water is delivered to a contractor, the State shall determine the amount of surplus water which the contractor may obtain based on the contractor's maximum annual entitlement and the estimated percentage of its annual entitlement to be delivered for agricultural and ground water replenishment use; but quantities so

determined shall not exceed the contractor's annual entitlement for that year. As used in this paragraph, "contractors in the San Joaquin Service Area" shall mean: Devil's Den Water District, Dudley Ridge Water District, Empire West Side Irrigation District, Hacienda Water District, Kern County Water Agency, and Tulare Lake Basin Water Storage District; "contractors in the Southern California Service Area" shall mean: Antelope Valley-East Kern Water Agency, City of West Covina, Coachella Valley County Water District, Crestline-Lake Arrowhead Water Agency, Desert Water Agency, Littlerock Creek Irrigation District, Mojave Water Agency, Palmdale Irrigation District, San Bernardino Valley Municipal Water District, San Gabriel Valley Municipal Water District, San Gorgonio Pass Water Agency, The Metropolitan Water District of Southern California, Upper Santa Clara Valley Water Agency, and Ventura County Flood Control District; "contractors in the Central Coastal Service Area" shall mean: San Luis Obispo County Flood Control and Water Conservation District and Santa Barbara County Flood Control and Water Conservation District.

The provision of this paragraph shall be applicable only to a contractor to which the delivery of project water for municipa use as of 1990 is estimated by the State to be in excess of fifty percent (50%) of such contractor's maximum annual entitlement. For the purpose of fixing such contractor's right to delivery of surplus water, water from a watershed not tributary to the contractor's area which is delivered within the contractor's boundaries for agricultural or ground water replenishment use shall be deemed to be part of the contractor's annual entitlement

delivered for such use in computing the quantity of surplus water to which the contractor is entitled under this subdivision: Provided, That the contractor shall not be deemed to have used more than its annual entitlement, as set forth in Table A, for such use. Surplus water shall be deemed to be used by the contractor for agricultural or ground water replenishment use if an equal quantity of water imported from a watershed not tributary to the contractor's area is delivered within the contractor's boundaries for such use.

In providing for the delivery of surplus water to contractors pursuant to this subdivision, the State shall refuse to deliver such surplus water to any contractor to the extent that the State determines that such delivery would tend to encourage the development of an economy within the area served by such contractor which would be dependent upon the sustained delivery of water in excess of the contractor's maximum annual entitlement. In no event shall the quantity of surplus water made available in any year prior to 1986 to any contractor under this subdivision exceed the difference between its annual entitlement for that year and its maximum annual entitlement, except that, subject to provisions of the immediately preceding sentence, with respect to any contractor which under Table A of its contract is scheduled to receive its maximum annual entitlement prior to 1978, the quantity of surplus water made available in any year prior to 1986 under this subdivision may exceed such difference by not more than 3,000 acre-feet.

Surplus water for agricultural and ground water replenishment use shall be furnished at prices which will return to the State the variable operation, maintenance, power, and replacement components of the Delta Water Charge and Transportation Charge incurred in such service of surplus water as determined by the State. Surplus water delivered under this subdivision shall be limited to the quantity of water which can be delivered without adversely affecting the reliability, or increasing the cost, of service to meet annual entitlements. A surcharge shall be added to the rate for surplus water furnished to excess land in an amount and under the conditions specified in Article 30 of this contract. Contracts made pursuant to this subdivision may exceed one year in duration.

Except as herein modified, the provisions of Article 21 of this contract are hereby confirmed, and all surplus water not specifically allocated pursuant to this subdivision shall be sold under the provisions of Article 21. Nothing in this subdivision shall limit the right of the Agency to increase its annual entitlements as otherwise provided in this contract.

As used in this subdivision "ground water replenishment use" shall mean the use of project water exclusively by direct application to spreading basins, streambeds, or through other means of direct artificial recharge for the purpose of replenishing overdrawn ground water basins.

(b) Surcharge Credit

Notwithstanding other provisions of this contract, the State may allow a credit to each contractor not to exceed the surcharge paid by such contractor.

For the purpose of this contract, the surcharge credit shall be determined and applied in the following manner:

(1) The State shall, in each year after the year of initial water delivery, allow a credit to the Agency in the amount of the surcharge forwarded by the Agency to the State in the preceding year.

(2) The Agency shall not establish water rates, or tax or assessment rates, so as to cause the surcharge credit to be passed on to water users in a manner which will bring about a greater reduction in the cost per acre-foot of project water put to use on excess land than such cost of project water put to use on other than excess land.

This subdivision 46(b) shall be separable from all other provisions in this contract, and in the event that any or all of the provisions of this subdivision are in any manner or to any extent held to be invalid by final judgment or decree of a court of competent jurisdiction, such holding and such invalidity shall in no way affect the validity of, or make invalid, any other provision of this contract.

IN WITNESS WHEREOF, the parties hereto have executed this contract on the date first above written.

Approved as to legal form and sufficiency:

P. G. Towner
Chief Counsel
Department of Water Resources

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

By William E. Warne
Director

Approved as to form and execution:

John B. Sims
Counsel

SAN GORGONIO PASS WATER AGENCY

By W. E. Isenwood
President

By E. J. Dibble
Secretary

SAN LUIS OBISPO COUNTY FLOOD CONTROL
AND WATER CONSERVATION DISTRICT

Location and Size

The District encompasses the entire area of San Luis Obispo County. The County has an area of 2,128,600 acres and as of July 1, 1964, had an estimated population of 95,700.

Water Supply and Utilization

The presently available supply of surface and ground water is considered adequate to meet the needs within the District at least until 1990 except in Santa Maria Valley and the South Coastal area where the supply is considered adequate only until 1980. The District has therefore contracted with the State for supplemental water for those areas. Water from the State Water Project will be used for municipal and industrial purposes.

Items of Contract Information Unique to Agency

Date of Contract - Preamble

February 26, 1963

Agency's Principal Place of Business - Preamble

San Luis Obispo

Estimated Year of Initial Water Delivery - Article 6(a)

1980

Date of Request as to Delivery Structures - Article 10(b)

January 1, 1975

Limit on Instantaneous Rate of Delivery - Article 12(c)

35 cfs

NOTES AND COMMENTS

E. SPECIAL PROVISIONS AND TABLES

45. SPECIAL PROVISIONS

(a) The State shall provide sufficient capacity in the transportation facilities to deliver the Agency's maximum annual entitlement at a continuous flow subject to the provisions of Article 17 (b). No capacity shall be provided for peaking.

(b) For purposes of subdivisions (c), (d), and (e) of this article, dealing with construction of the Coastal Aqueduct, the term "Coastal Stub Aqueduct" shall mean that portion of the Coastal Aqueduct beginning at the junction with the San Joaquin Valley-Southern California Aqueduct in the vicinity of Avenal, Kings County, and extending to a point about 12 miles along the route of the Coastal Aqueduct, ending at an elevation of about 520 feet above mean sea level, at the location of the intake to proposed Pumping Plant C-4.

(c) The Agency shall have the right to withdraw from participation in the Coastal Aqueduct downstream from the Coastal Stub Aqueduct: *Provided,* That payments of the Transportation Charge for other reaches listed in Table I, and of the Delta Water Charge shall continue for the term of this contract: *Provided further,* That any such withdrawal must be made by a request for change of Table I submitted in writing to the State prior to the date on which the State commences final design on the reach under consideration. The State shall notify the Agency six months in advance of the date on which final design will commence on any reach of the Coastal Aqueduct downstream from the Coastal Stub Aqueduct.

(d) Notwithstanding Article 6(a) and 17(a) of this contract, the State shall advance or delay construction of any reaches of the Coastal Aqueduct if all contractors taking water through a reach request a change in the year of initial water delivery: *Provided,* That any contractor requesting a delay in the construction of any reach shall submit a request by January 1, 1975, and any contractor requesting the advance of construction of any reach shall submit a request at least five years in advance of the estimated year of initial water delivery. Unless all contractors taking water through a reach of the Coastal Aqueduct request a change in the year of initial delivery, construction shall be scheduled so that the year of initial water delivery from reaches downstream from the Coastal Stub Aqueduct is 1980.

(e) Notwithstanding the provisions of Articles 23 and 24 of this contract, in the event that construction of any reach of the Coastal Stub Aqueduct is commenced more than 5 years prior to the year of initial water delivery for the Agency there shall be deducted until the year 1976 or until 5 years prior to the year of initial water delivery, whichever is earlier, from the annual payment of principal and interest which would otherwise be required by Article 24(c) (1) an amount equal to the annual payment of principal and interest under the capital cost component of the Transportation Charge attributable from year to year to the Agency's allocated share of the cost of constructing such portions of the Coastal Aqueduct. Such amounts shall be accumulated, with interest thereon computed at the project interest rate and compounded annually, until December 31, of the fifth year prior to the estimated year of initial water delivery or of the year 1975, whichever is earlier; thereafter the total accumulated amount shall be paid in fifty (50) equal annual installments under the provisions of Article 24(c) in the same manner as though the entire amount had been expended for construction purposes in that year. If no other water supply contracts are executed for a dependable supply of project water to be delivered from delivery structures on the Coastal Stub Aqueduct, the rights of the Agency under subdivisions (c) and (d) of this article shall apply to the Coastal Stub Aqueduct.

(f) Subject to approval by the State and pursuant to an agreement to be entered into with the State governing operating criteria, the Agency may construct the Coastal Aqueduct or any reach thereof with its own funds or in cooperation with other agencies including the federal government.

(g) Notwithstanding the provisions of Article 29(a), the Agency shall commence payment of the capital cost and the minimum operation, maintenance, power and replacement components of the Delta Water Charge according to the schedule in Table A of this contract in the year of initial water delivery or 1980, whichever is earlier: *Provided,* That such charge shall not be paid in a year or years in which the State is scheduled to commence delivery but through no fault of the Agency fails to commence such delivery of water.

TABLE A

ANNUAL ENTITLEMENTS
SAN LUIS OBISPO COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

Year	Total Annual Amount In Acre-Feet
1980	1,000
1981	1,000
1982	2,000
1983	3,000
1984	4,500
1985	7,500
1986	10,000
1987	12,500
1988	15,500
1989	20,000
1990	25,000
And each succeeding year thereafter for the term of this contract as a Maximum Annual Entitlement:	25,000

TABLE H

PROJECT TRANSPORTATION FACILITIES FOR SAN LUIS OBISPO COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

1. A San Joaquin Valley–Southern California Aqueduct extending to the junction with the Coastal Aqueduct in the vicinity of Avenal, Kings County, to the extent such aqueduct is determined by the State to be required for water transportation.

2. A Coastal Aqueduct, beginning on the San Joaquin Valley–Southern California Aqueduct in the vicinity of Avenal, Kings County, and extending to a terminal at the Santa Maria River.

TABLE I

AQUEDUCT REACHES FOR WHICH SAN LUIS OBISPO COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT ASSUMES AN OBLIGATION

Aqueduct Reach	Major Features of Reach
CALIFORNIA AQUEDUCT	
Delta to Discharge Delta Pumping Plant:	Intake Canal Fish Protective Facilities Delta Pumping Plant (Pumping Plant I)
Discharge Delta Pumping Plant to San Luis Forebay:	Aqueduct
San Luis Forebay:	San Luis Forebay and Forebay Dam
San Luis Forebay to Kettleman City:	Aqueduct Mile 18 Pumping Plant
Kettleman City to Avenal Gap:	Aqueduct
COASTAL AQUEDUCT	
Avenal Gap to Discharge Avenal Pumping Plant:	Aqueduct Avenal Pumping Plant (Pumping Plant C-3)
Discharge Avenal Pumping Plant to Pyramid Pumping Plant:	Aqueduct
Pyramid Pumping Plant to Temblor Pumping Plant:*	Aqueduct Pyramid Pumping Plant (Pumping Plant C-4) Sawtooth Pumping Plant (Pumping Plant C-5) Temblor Pumping Plant (Pumping Plant C-6)
Temblor Pumping Plant to Tailrace San Luis Obispo Powerplant:*	Aqueduct San Luis Obispo Powerplant
San Luis Obispo Powerplant to Santa Maria Terminus:*	Aqueduct

* Subject to Article 45

IN WITNESS WHEREOF, the parties hereto have executed this contract on the date first above written.

Approved as to legal form and sufficiency:

P. G. Towner

Chief Counsel
Department of Water Resources
P.O. Box 388
Sacramento, California

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

By _____
Director

Attest:

A. E. Mallagh

County Clerk and Ex Officio clerk of the Board of Supervisors
San Luis Obispo County Flood Control and Water Conservation District
c/o County Clerk
Court House
San Luis Obispo, California

SAN LUIS OBISPO COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

By _____
Chairman of the Board of Supervisors

Approved as to form and legality:

James D. Powell

District Attorney

STATE OF CALIFORNIA

DEPARTMENT OF WATER RESOURCES

AMENDMENT NO. 1 TO WATER SUPPLY
CONTRACT BETWEEN THE STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES AND
SAN LUIS OBISPO COUNTY FLOOD CONTROL AND
WATER CONSERVATION DISTRICT

THIS CONTRACT, made this 15th day of November 1963, pursuant to the provisions of the California Water Resources Development Bond Act, the State Central Valley Project Act, and other applicable laws of the State of California, between the State of California, acting by and through its Department of Water Resources, herein referred to as the "State," and San Luis Obispo County Flood Control and Water Conservation District, a public agency in the State of California, duly organized, existing, and acting pursuant to the laws thereof with its principal place of business in San Luis Obispo, California, herein referred to as the "Agency,"

WITNESSETH, That:

WHEREAS, the State is authorized to construct and operate facilities for the storage and conveyance of water, certain of which facilities will make water available to the Agency; and

WHEREAS, the State and the Agency have entered into a water supply contract, dated February 26, 1963, providing that the State shall supply certain quantities of water to the Agency, and providing that the Agency shall make certain payments to the State, and setting forth the terms and conditions of such supply and such payment; and

WHEREAS, the State and the Agency are desirous of making certain changes and additions to the above-mentioned contract, while otherwise continuing the contract in full force and effect;

NOW THEREFORE, it is mutually agreed that the following changes and additions are hereby made to the Agency's water supply contract with the State:

Article 46 is added to the contract to read as follows:

46. Amendatory Provisions

a. Surplus Water

Notwithstanding other provisions of this contract, surplus water for agricultural and ground water replenishment use shall be offered to contractors on the following basis. Before surplus water is sold for other than agricultural and ground water replenishment use, each contractor shall have the right, subject to the ability of the State to deliver such water, to contract for agricultural and ground water replenishment use for a portion of the total amount of surplus water available in any year, in an amount which bears the same ratio to the total amount of surplus water available in that year as the sum of the annual entitlements delivered to the contractor for agricultural and ground water replenishment use during the preceding three years bears to the total amount of the annual entitlements delivered for agricultural and ground water replenishment use during the preceding three years of all contractors requesting surplus water: Provided, That if its proportion of such surplus water is not required by or cannot be delivered to any contractor, such amount of additional surplus water shall be offered to other contractors for agricultural and

ground water replenishment use. During the first three years in which project water is deliver to a contractor, the State shall determine the amount of surplus water which the contractor may obtain based on the contractor's maximum annual entitlement and the estimated percentage of its annual entitlement to be delivered for agricultural and ground water replenishment use; but quantities so determined shall not exceed the contractor's annual entitlement for that year. For the purpose of computing the portion of the surplus water for agricultural and ground water replenishment use to which each contractor is entitled, the State shall determine the amounts of water used for agricultural and ground water replenishment use by each contractor in each year: Provided, That each contractor shall furnish certified copies of such records and data concerning the use of water within its boundaries as the State may request.

Surplus water for agricultural and ground water replenishment use shall be furnished at prices which will return to the State the variable operation, maintenance, power, and replacement components of the Delta Water Charge and Transportation Charge incurred in such service of surplus water as determined by the State. A surcharge shall be added to the rate for surplus water furnished to excess land in an amount and under the conditions specified in Article 30 of this contract. Contracts made pursuant to this subdivision may exceed one year in duration.

Except as herein modified, the provisions of Article 21 of this contract are hereby confirmed, and all surplus water not specifically allocated pursuant to this subdivision shall be sold

under the provisions of Article 21.

As used in this subdivision "ground water replenishment use" shall mean the use of project water exclusively by direct application to spreading basins, streambeds, or through other means of direct artificial recharge for the purpose of replenishing overdrawn ground water basins.

b. Surcharge Credit

Notwithstanding other provisions of this contract, the State may include provisions in water supply contracts allowing a credit to a contractor not to exceed the surcharge to be paid by such contractor: Provided, That such credit shall be utilized to reduce the cost of water for agricultural use on other than excess land at a uniform rate per acre-foot not to exceed two dollars ($2) per acre-foot. Any contract including provisions pursuant to this subdivision shall assure that the reductions in the contractors' obligations authorized by this subdivision are made available exclusively for the benefit of agricultural use on land other than excess land and are not directly or indirectly made available for the benefit of agricultural use on excess land.

IN WITNESS WHEREOF, the parties hereto have executed this contract on the date first above written.

Approved as to legal form and sufficiency:

P. G. Torrey
Chief Counsel
Department of Water Resources

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

By William E. Warne
Director

Attest:

SAN LUIS OBISPO COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

By Thomas Cushman
Chairman of the Board of Supervisors

By _____

County Clerk and Ex Officio clerk of the Board of Supervisors
San Luis Obispo County Flood Control and Water Conservation District
c/o County Clerk
Court House
San Luis Obispo, California

Approved as to form and legality:

James D. Powell
District Attorney

STATE OF CALIFORNIA
THE RESOURCES AGENCY
DEPARTMENT OF WATER RESOURCES

AMENDMENT NO. 2 TO WATER SUPPLY
CONTRACT BETWEEN THE STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES AND
SAN LUIS OBISPO COUNTY FLOOD CONTROL
AND WATER CONSERVATION DISTRICT

THIS CONTRACT, made this 19th day of October, 1964, pursuant to the provisions of the California Water Resources Development Bond Act, the State Central Valley Project Act, and other applicable laws of the State of California, between the State of California, acting by and through its Department of Water Resources, herein referred to as the "State," and San Luis Obispo County Flood Control and Water Conservation District, a public agency in the State of California, duly organized, existing, and acting pursuant to the laws thereof with its principal place of business in San Luis Obispo, California, herein referred to as the "Agency,"

WITNESSETH, That:

WHEREAS, the State is authorized to construct and operate facilities for the storage and conveyance of water, certain of which facilities will make water available to the Agency; and

WHEREAS, the State and the Agency have entered into a water supply contract, dated February 26, 1963, as amended November 15, 1963, providing that the State shall supply certain quantities of water to the Agency, and providing that the Agency shall make certain payments to the State, and setting forth the terms and conditions of such supply and such payment; and

WHEREAS, the State and the Agency are desirous of making certain changes and additions to such contract, while otherwise continuing the contract in full force and effect;

NOW THEREFORE, it is mutually agreed that the following changes and additions are hereby made to the Agency's water supply contract with the State:

1. Subdivision (k) of Article 1 is amended to read as follows:

(k) Minimum Project Yield

"Minimum project yield" shall mean the dependable annual supply of project water to be made available, estimated to be 4,230,000 acre-feet per year, said amount to be determined by the State on the basis of coordinated operation studies of initial project conservation facilities and additional project conservation facilities, which studies shall be based upon:

(1) The estimated relative proportion of deliveries for agricultural use to deliveries for municipal use for the year 1990, and the characteristic distributions of demands for these two uses throughout the year.

(2) An allowable reduction in the agricultural use portion of the minimum project yield, due to drought, of not to exceed fifty percent (50%) in any one year, nor a total of one hundred percent (100%) in any one year's supply in any series of seven consecutive years.

(3) Agreements now in effect or as hereafter amended or supplemented between the State and the United States and others regarding the diversion or utilization of waters of the Delta or streams tributary thereto.

2. Subdivision (a) of Article 16 is amended to read as follows:

(a) Limit on Total of all Maximum Annual Entitlements

The Agency's maximum annual entitlement hereunder, together with the maximum annual entitlements of all other contractors, shall aggregate no more than the minimum project yield as defined herein and in no event more than 4,230,000 acre-feet of project water.

3. Article 46 is amended to read as follows:

46. Amendatory Provisions

(a) Surplus Water

Notwithstanding other provisions of this contract, surplus water for agricultural and ground water replenishment use shall be offered to contractors on the following basis. Before surplus water is sold for other than agricultural and ground water replenishment use, each contractor shall have the right, subject to the ability of the State to deliver such water and to the provisions of the next succeeding paragraph, to contract for agricultural and ground water replenishment use for a portion of the total amount of surplus water available in any year, in an amount which bears the same ratio to the total amount of surplus water available in that year as the sum of the annual entitlements, set forth in Table A of this contract, delivered to the contractor for agricultural and ground water replenishment use during the preceding three years bears to the total amount of such annual entitlements delivered for agricultural and ground water replenishment use during the preceding three years of all contractors requesting surplus water: Provided, that if its proportion of such surplus

water is not required by or cannot be delivered to any contractor, such amount of additional surplus water shall be offered to other contractors for agricultural and ground water replenishment use. During the first three years in which project water is delivered to a contractor, the State shall determine the amount of surplus water which the contractor may obtain based on the contractor's maximum annual entitlement and the estimated percentage of its annual entitlement to be delivered for agricultural and ground water replenishment use; but quantities so determined shall not exceed the contractor's annual entitlement for that year. For the purpose of computing the portion of the surplus water for agricultural and ground water replenishment use to which each contractor is entitled, the State shall determine the amounts of water used for agricultural and ground water replenishment use by each contractor in each year: Provided, that each contractor shall furnish certified copies of such records and data concerning the use of water within its boundaries as the State may request.

The provisions of this paragraph shall be applicable only to contractors in the San Joaquin Valley Service Area, contractors in the Southern California Service Area, and contractors in the Central Coastal Service Area. Before surplus water is sold for other than agricultural and ground water replenishment use, each such contractor shall have the right, subject to the ability of the State to deliver such water, to contract for agricultural and ground water replenishment use in accordance with the following formula: contractors in the San Joaquin Valley Service Area shall have a right to contract for sixty-nine percent (69%) of the surplus water available at the Mile 18 Pumping Plant; contractors

in the Southern California Service Area shall have a right to contract for twenty-nine percent (29%) of such water; and contractors in the Central Coastal Service Area shall have a right to contract for two percent (2%) of such water: Provided, that within each of these service areas, each contractor shall have the right to contract for agricultural and ground water replenishment use for a portion of the total amount of surplus water available to that service area in any year, in an amount which bears the same ratio to the total amount of surplus water available to the service area in that year as the sum of the annual entitlements, set forth in Table A of this contract, delivered to the contractor for agricultural and ground water replenishment use during the preceding three years bears to the total amount of such annual entitlements delivered for agricultural and ground water replenishment use during the preceding three years of all contractors in that service area requesting surplus water: Provided, further, that if its proportion of such surplus water is not required by or cannot be delivered to any contractor, such amount of additional surplus water shall be offered to other contractors for agricultural and ground water replenishment use. During the first three years in which project water is delivered to a contractor, the State shall determine the amount of surplus water which the contractor may obtain based on the contractor's maximum annual entitlement and the estimated percentage of its annual entitlement to be delivered for agricultural and ground water replenishment use; but quantities so determined shall not exceed the contractor's annual entitlement for that year. As used in this paragraph, "contractors in the San Joaquin Service Area" shall mean: Devil's Den Water District,

Dudley Ridge Water District, Empire West Side Irrigation District, Hacienda Water District, Kern County Water Agency, and Tulare Lake Basin Water Storage District; "contractors in the Southern California Service Area" shall mean: Antelope Valley-East Kern Water Agency, City of West Covina, Coachella Valley County Water District, Crestline-Lake Arrowhead Water Agency, Desert Water Agency, Littlerock Creek Irrigation District, Mojave Water Agency, Palmdale Irrigation District, San Bernardino Valley Municipal Water District, San Gabriel Valley Municipal Water District, San Gorgonio Pass Water Agency, The Metropolitan Water District of Southern California, Upper Santa Clara Valley Water Agency, and Ventura County Flood Control District; "contractors in the Central Coastal Service Area" shall mean: San Luis Obispo County Flood Control and Water Conservation District and Santa Barbara County Flood Control and Water Conservation District.

The provision of this paragraph shall be applicable only to a contractor to which the delivery of project water for municipal use as of 1990 is estimated by the State to be in excess of fifty percent (50%) of such contractor's maximum annual entitlement. For the purpose of fixing such contractor's right to deliver of surplus water, water from a watershed not tributary to the contractor's area which is delivered within the contractor's boundaries for agricultural or ground water replenishment use shall be deemed to be part of the contractor's annual entitlement delivered for such use in computing the quantity of surplus water to which the contractor is entitled under this subdivision: Provided, that the contractor shall not be deemed to have used more than its

annual entitlement, as set forth in Table A, for such use. Surplus water shall be deemed to be used by the contractor for agricultural or ground water replenishment use if an equal quantity of water imported from a watershed not tributary to the contractor's area is delivered within the contractor's boundaries for such use.

In providing for the delivery of surplus water to contractors pursuant to this subdivision, the State shall refuse to deliver such surplus water to any contractor to the extent that the State determines that such delivery would tend to encourage the development of an economy within the area served by such contractor which would be dependent upon the sustained delivery of water in excess of the contractor's maximum annual entitlement. In no event shall the quantity of surplus water made available in any year prior to 1986 to any contractor under this subdivision exceed the difference between its annual entitlement for that year and its maximum annual entitlement, except that, subject to provisions of the immediately preceding sentence, with respect to any contractor which under Table A of its contract is scheduled to receive its maximum annual entitlement prior to 1978, the quantity of surplus water made available in any year prior to 1986 under this subdivision may exceed such difference by not more than 3,000 acre-feet.

Surplus water for agricultural and ground water replenishment use shall be furnished at prices which will return to the State the variable operation, maintenance, power, and replacement components of the Delta Water Charge and Transportation Charge incurred in such service of surplus water as determined by the State. Surplus water delivered under this subdivision shall be

limited to the quantity of water which can be delivered without adversely affecting the reliability, or increasing the cost, of service to meet annual entitlements. A surcharge shall be added to the rate for surplus water furnished to excess land in an amount and under the conditions specified in Article 30 of this contract. Contracts made pursuant to this subdivision may exceed one year in duration.

Except as herein modified, the provisions of Article 21 of this contract are hereby confirmed, and all surplus water not specifically allocated pursuant to this subdivision shall be sold under the provisions of Article 21. Nothing in this subdivision shall limit the right of the Agency to increase its annual entitlements as otherwise provided in this contract.

As used in this subdivision "ground water replenishment use" shall mean the use of project water exclusively by direct application to spreading basins, streambeds, or through other means of direct artificial recharge for the purpose of replenishing overdrawn ground water basins.

(b) Surcharge Credit

Notwithstanding other provisions of this contract, the State may allow a credit to each contractor not to exceed the surcharge paid by such contractor.

For the purpose of this contract, the surcharge credit shall be determined and applied in the following manner:

(1) The State shall, in each year after the year of initial water delivery, allow a credit to the Agency in the amount of the surcharge forwarded by the Agency to the State in the preceding year.

(2) The Agency shall not establish water rates, or tax or assessment rates, so as to cause the surcharge credit to be passed on to water users in a manner which will bring about a greater reduction in the cost per acre-foot of project water put to use on excess land than such cost of project water put to use on other than excess land.

This subdivision 46(b) shall be separable from all other provisions in this contract, and in the event that any or all of the provisions of this subdivision are in any manner or to any extent held to be invalid by final judgment or decree of a court of competent jurisdiction, such holding and such invalidity shall in no way affect the validity of, or make invalid, any other provision of this contract.

IN WITNESS WHEREOF, the parties hereto have executed this contract on the date first above written.

Approved as to legal form and sufficiency:

P. A. Towner
Chief Counsel
Department of Water Resources

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

By Wm. E. Warne
Director

Attest:

A. E. Maccagno
County Clerk and Ex Officio Clerk of the Board of Supervisors

SAN LUIS OBISPO COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

By Roland Hall
Chairman of the Board of Supervisors

Approved as to form and legality:

Lee E. Powell
District Attorney

SANTA BARBARA COUNTY FLOOD CONTROL
AND WATER CONSERVATION DISTRICT

Location and Size

The District encompasses the entire area of Santa Barbara County. The County has an area of 1,756,800 acres and as of July 1, 1964, had an estimated population of 231,000.

Water Supply and Utilization

While water supplies in Santa Barbara County are obtained principally from ground water basins, increasing amounts are being obtained from surface developments. The ground water supply is being overdrawn in many areas and the development of additional surface storage projects is limited by economic feasibility. The future increase in water demands after 1980 will therefore be met by water from the State Water Project.

Items of Contract Information Unique to Agency

Date of Contract - Preamble

February 26, 1963

Agency's Principal Place of Business - Preamble

Santa Barbara

Estimated Year of Initial Water Delivery - Article 6(a)

1980

Date of Request as to Delivery Structures - Article 10(b)

January 1, 1975

Limit on Instantaneous Rate of Delivery - Article 12(c)

83 cfs (Decreased by Amendment No. 2 to 80 cfs.)

NOTES AND COMMENTS

E. SPECIAL PROVISIONS AND TABLES

45. SPECIAL PROVISIONS

(a) The annual entitlements set forth in Table A of this contract include an estimated amount for water service to federal military installations, and notwithstanding the provisions of Articles 6(b) and 7(b), the State shall, on October 1, 1963, or when the Agency concludes a long-term agreement for such service, whichever is earlier, reduce each year's entitlement and the maximum annual entitlement to amounts equal to the total of the quantity of water that the Agency is obligated to deliver to federal military installations for the respective year and the annual quantity set forth below for this year: *Provided,* That such obligations to deliver water to federal military installations does not exceed 10,000 acre-feet for any year: *Provided further,* That the maximum annual entitlement shall constitute the maximum annual entitlement shown below plus the maximum quantity of water that the Agency is obligated to deliver to federal military installations in any year: *Provided further,* That if no such contract is signed by the Agency for the furnishing of water to federal military installatiins by October 1, 1963, its annual entitlements and maximum annual entitlement shall be the quantities shown below:

Year	Basic Annual Amount In Acre-Feet
1980	1,000
1981	2,000
1982	4,000
1983	6,000
1984	9,000
1985	15,000
1986	20,000
1987	25,000
1988	31,000
1989	40,000
1990	50,000
And each succeeding year thereafter for the term of this contract, as a Maximum Annual Entitlement:	50,000

(b) The State shall provide sufficient capacity in the transportation facilities to deliver the Agency's maximum annual entitlement determined pursuant to subdivision (a) of this article, at a continuous flow subject to the provisions of Article 17(b) No capacity shall be provided for peaking.

(c) For purposes of subdivisions (d), (e), and (f) of this article, dealing with construction of the Coastal Aqueduct, the term "Coastal Stub Aqueduct" shall mean that portion of the Coastal Aqueduct beginning at the junction with the San Joaquin Valley-Southern California Aqueduct in the vicinity of Avenal, Kings County, and extending to a point about 12 miles along the route of the Coastal Aqueduct, ending at an elevetion of about 520 feet above mean sea level, at the location of the intake to proposed Pumping Plant C-4.

(d) The Agency shall have the right to withdraw from participation in the Coastal Aqueduct downstream from the Coastal Stub Aqueduct: *Provided,* That payments of the Transportation Charge for other reaches listed in Table I, and of the Delta Water Charge shall continue for the term of this contract: *Provided further,* That any such withdrawal must be made by a request for change of Table I submitted in writing to the State prior to the date on which the State commences final design on the reach under consideration. The State shall notify the Agency six months in advance of the date on which final design will commence on any reach of the Coastal Aqueduct downstream from the Coastal Stub Aqueduct.

(e) Notwithstanding Articles 6(a) and 17(a) of this contract, the State shall advance or delay construction of any reaches of the Coastal Aqueduct if all contractors taking water through a reach request a change in the year of initial water delivery: *Provided,* That any contractor requesting a delay in the construction of any reach shall submit a request by January 1, 1975, and any contractor requesting the advance

of construction of any reach shall submit a request at least five years in advance of the estimated year of initial water delivery. Unless all contractors taking water through a reach of the Coastal Aqueduct request a change in the year of initial delivery, construction shall be scheduled so that the year of initial water delivery from reaches downstream from the Coastal Stub Aqueduct is 1980.

(f) Notwithstanding the provisions of Articles 23 and 24 of this contract, in the event that construction of any reach of the Coastal Stub Aqueduct is commenced more than five years prior to the year of initial water delivery for the Agency there shall be deducted until the year 1976 or until five years prior to the year of initial water delivery, whichever is earlier, from the annual payment of principal and interest which would otherwise be required by Article 24(c) (1) an amount equal to the annual payment of principal and interest under the capital cost component of the Transportation Charge attributable from year to year to the Agency's allocated share of the cost of constructing such portions of the Coastal Aqueduct. Such amounts shall be accumulated, with interest thereon computed at the project interest rate and compounded annually, until December 31, of the fifth year prior to the estimated year of initial water delivery or of the year 1975, whichever is earlier; thereafter the total accumulated amount shall be paid in fifty (50) equal annual installments under the provisions of Article 24 (c) in the same manner as though the entire amount had been expended for construction purposes in that year. If no other water supply contracts are executed for a dependable supply of project water to be delivered from delivery structures on the Coastal Stub Aqueduct, the rights of the Agency under subdivisions (d) and (e) of this article shall apply to the to the Coastal Stub Aqueduct.

(g) Subject to approval by the State and pursuant to an agreement to be entered into with the State governing operating criteria, the Agency may construct the Coastal Aqueduct or any reach thereof with its own funds or in cooperation with other agencies including the federal government.

(h) Notwithstanding the provisions of Article 29(a), the Agency shall commence payment of the minimum operation, maintenance, power and replacement components of the Delta Water Charge according to the schedule in Table A of this contract in the year of initial water delivery or 1980, whichever is earlier: *Provided,* That such charge shall not be paid in a year or years in which the State is scheduled to commence delivery but through no fault of the Agency fails to commence such delivery of water.

(i) Payments which under Article 29 are due in 1963, with interest at the project interest rate compounded annually, shall be made in two equal installments, concurrently with the comparable payments due under this contract in 1964.

TABLE A

ANNUAL ENTITLEMENTS
SANTA BARBARA COUNTY FLOOD CONTROL
AND WATER CONSERVATION DISTRICT

Year	Total Annual Amount In Acre-Feet
1980	11,000
1981	12,000
1982	14,000
1983	16,000
1984	19,000
1985	25,000
1986	30,000
1987	35,000
1988	41,000
1989	50,000
1990	60,000
And each succeeding year thereafter for the term of this contract as a Maximum Annual Entitlement:	60,000

TABLE H

PROJECT TRANSPORTATION FACILITIES FOR SANTA BARBARA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

1. A San Joaquin Valley-Southern California aqueduct extending to the junction with the Coastal aqueduct in the vicinity of Avenal, Kings County, to the extent such aqueduct is determined by the State to be required for water transportation.

2. A Coastal aqueduct, beginning on the San Joaquin Valley-Southern California aqueduct in the vicinity of Avenal, Kings County, and extending to a terminal at the Santa Maria River.

TABLE 1

AQUEDUCT REACHES FOR WHICH SANTA BARBARA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT ASSUMES AN OBLIGATION

Aqueduct Reach	Major Features of Reach
CALIFORNIA AQUEDUCT	
Delta to Discharge Delta Pumping Plant:	Intake Canal Fish Protective Facilities Delta Pumping Plant (Pumping Plant I)
Discharge Delta Pumping Plant to San Luis Forebay:	Aqueduct
San Luis Forebay:	San Luis Forebay and Forebay Dam
San Luis Forebay to Kettleman City:	Aqueduct Mile 18 Pumping Plant
Kettleman City to Avenal Gap:	Aqueduct
COASTAL AQUEDUCT	
Avenal Gap to Discharge Avenal Pumping Plant:	Aqueduct Avenal Pumping Plant (Pumping Plant C-3)
Discharge Avenal Pumping Plant to Pyramid Pumping Plant:	Aqueduct
Pyramid Pumping Plant to Temblor Pumping Plant:*	Aqueduct Pyramid Pumping Plant (Pumping Plant C-4) Sawtooth Pumping Plant (Pumping Plant C-5) Temblor Pumping Plant (Pumping Plant C-6)
Temblor Pumping Plant to Tailrace San Luis Obispo Powerplant:*	Aqueduct San Luis Obispo Powerplant
San Luis Obispo Powerplant to Santa Maria Terminus:*	Aqueduct

* Subject to Article 45

IN WITNESS WHEREOF, the parties hereto have executed this contract on the date first above written.

Approved as to legal form and sufficiency:

P. G. Towner

Chief Counsel
Department of Water Resources
P.O. Box 388
Sacramento, California

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

Wm. E. Warne

Director

Attest:

J. E. Ferris

County Clerk and Ex Officio Clerk
Santa Barbara County Flood
Control and Water Conservation District
Santa Barbara County Court House
Santa Barbara, California

SANTA BARBARA COUNTY FLOOD CONTROL
AND WATER CONSERVATION DISTRICT

By David O. Grant

Chairman, Board of Directors

Approved as to form:

Dana E. Seibert

Special Counsel

STATE OF CALIFORNIA

DEPARTMENT OF WATER RESOURCES

AMENDMENT NO. 1 TO WATER SUPPLY
CONTRACT BETWEEN THE STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES AND
SANTA BARBARA COUNTY FLOOD CONTROL AND
WATER CONSERVATION DISTRICT

THIS CONTRACT, made this 26th day of November, 1963, pursuant to the provisions of the California Water Resources Development Bond Act, the State Central Valley Project Act, and other applicable laws of the State of California, between the State of California, acting by and through its Department of Water Resources, herein referred to as the "State," and Santa Barbara County Flood Control and Water Conservation District, a public agency in the State of California, duly organized, existing, and acting pursuant to the laws thereof with its principal place of business in Santa Barbara. California, herein referred to as the "Agency,"

WITNESSETH, That:

WHEREAS, the State is authorized to construct and operate facilities for the storage and conveyance of water, certain of which facilities will make water available to the Agency; and

WHEREAS, the State and the Agency have entered into a water supply contract, dated February 26, 1963, providing that the State shall supply certain quantities of water to the Agency, and providing that the Agency shall make certain payments to the State, and setting forth the terms and conditions of such supply and such payment; and

WHEREAS, the State and the Agency are desirous of making certain changes and additions to the above-mentioned contract, while otherwise continuing the contract in full force and effect;

NOW THEREFORE, it is mutually agreed that the following changes and additions are hereby made to the Agency's water supply contract with the State:

Article 46 is added to the contract to read as follows:

46. Amendatory Provisions

a. Surplus Water

Notwithstanding other provisions of this contract, surplus water for agricultural and ground water replenishment use shall be offered to contractors on the following basis. Before surplus water is sold for other than agricultural and ground water replenishment use, each contractor shall have the right, subject to the ability of the State to deliver such water, to contract for agricultural and ground water replenishment use for a portion of the total amount of surplus water available in any year, in an amount which bears the same ratio to the total amount of surplus water available in that year as the sum of the annual entitlements delivered to the contractor for agricultural and ground water replenishment use during the preceding three years bears to the total amount of the annual entitlements delivered for agricultural and ground water replenishment use during the preceding three years of all contractors requesting surplus water: Provided, That if its proportion of such surplus water is not required by or cannot be delivered to any contractor, such amount of additional surplus water shall be offered to other contractors for agricultural and

ground water replenishment use. During the first three years in which project water is deliver to a contractor, the State shall determine the amount of surplus water which the contractor may obtain based on the contractor's maximum annual entitlement and the estimated percentage of its annual entitlement to be delivered for agricultural and ground water replenishment use; but quantities so determined shall not exceed the contractor's annual entitlement for that year. For the purpose of computing the portion of the surplus water for agricultural and ground water replenishment use to which each contractor is entitled, the State shall determine the amounts of water used for agricultural and ground water replenishment use by each contractor in each year: Provided, That each contractor shall furnish certified copies of such records and data concerning the use of water within its boundaries as the State may request.

Surplus water for agricultural and ground water replenishment use shall be furnished at prices which will return to the State the variable operation, maintenance, power, and replacement components of the Delta Water Charge and Transportation Charge incurred in such service of surplus water as determined by the State. A surcharge shall be added to the rate for surplus water furnished to excess land in an amount and under the conditions specified in Article 30 of this contract. Contracts made pursuant to this subdivision may exceed one year in duration.

Except as herein modified, the provisions of Article 21 of this contract are hereby confirmed, and all surplus water not specifically allocated pursuant to this subdivision shall be sold

under the provisions of Article 21.

As used in this subdivision "ground water replenishment use" shall mean the use of project water exclusively by direct application to spreading basins, streambeds, or through other means of direct artificial recharge for the purpose of replenishing overdrawn ground water basins.

b. Surcharge Credit

Notwithstanding other provisions of this contract, the State may include provisions in water supply contracts allowing a credit to a contractor not to exceed the surcharge to be paid by such contractor: Provided, That such credit shall be utilized to reduce the cost of water for agricultural use on other than excess land at a uniform rate per acre-foot not to exceed two dollars ($2) per acre-foot. Any contract including provisions pursuant to this subdivision shall assure that the reductions in the contractors' obligations authorized by this subdivision are made available exclusively for the benefit of agricultural use on land other than excess land and are not directly or indirectly made available for the benefit of agricultural use on excess land.

IN WITNESS WHEREOF, the parties hereto have executed this contract on the date first above written.

Approved as to legal form and sufficiency:

P. A. Towner
Chief Counsel
Department of Water Resources

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

By Wilma E. Warne
Director

Attest:

J. E. Lewis
County Clerk and Ex Officio Clerk
Santa Barbara County Flood Control and Water Conservation District
Santa Barbara County Court House
Santa Barbara, California

SANTA BARBARA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

By David G. Grant
Chairman, Board of Directors

By _____

Approved as to form:

David S. Sucher
Special Counsel

STATE OF CALIFORNIA

DEPARTMENT OF WATER RESOURCES

AMENDMENT NO. 2 TO WATER SUPPLY
CONTRACT BETWEEN THE STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES AND
SANTA BARBARA COUNTY FLOOD CONTROL AND
WATER CONSERVATION DISTRICT

THIS CONTRACT, made this 26th day of January 1965, pursuant to the provisions of the California Water Resources Development Bond Act, the State Central Valley Project Act, and other applicable laws of the State of California, between the State of California, acting by and through its Department of Water Resources, herein referred to as the "State", and Santa Barbara County Flood Control and Water Conservation District, a public agency in the State of California, duly organized, existing, and acting pursuant to the laws thereof with its principal place of business in Santa Barbara, California, herein referred to as the "Agency",

WITNESSETH, That:

WHEREAS, the State is authorized to construct and operate facilities for the storage and conveyance of water, certain of which facilities will make water available to the Agency; and

WHEREAS, the State and the Agency have entered into a water supply contract, dated February 26, 1963, as amended November 26, 1963, providing that the State shall supply certain quantities of water to the Agency, and providing that the Agency shall make certain payments to the State, and setting forth the terms and conditions of such supply and such payment; and

WHEREAS, the maximum annual entitlements under all contracts executed by the State on or before December 31, 1963, did not aggregate the amount of the minimum project yield as defined in such water supply contract; and

WHEREAS, the Agency has elected to become entitled to a certain amount of the uncontracted for portion of the minimum project yield under the provisions of Article 8 of the above-mentioned contract and the State has determined that the Agency can put the water involved to beneficial use within a reasonable period of time; and

WHEREAS, one of said changes is that the minimum project yield will be increased from 4,000,000 to 4,230,000 acre-feet per year, which will result in changes in design and increases in size of facilities; and

WHEREAS, the Agency has been informed by the State that its share of the cost of the project will not be increased as a result thereof, and has further been advised by the State that such increase in the minimum project yield will bring about reductions in the Delta Water Charge and the Transportation Charge to be paid by the Agency; and

WHEREAS, the State and the Agency are desirous of making certain other changes and additions to such contract, while otherwise continuing the contract in full force and effect;

NOW THEREFORE, it is mutually agreed that the following changes and additions are hereby made to the Agency's water supply contract with the State:

1. Subdivision (k) of Article 1 is amended to read as follows:

(k) Minimum Project Yield

"Minimum project yield" shall mean the dependable annual supply of project water to be made available, estimated to be 4,230,000 acre-feet per year, said amount to be determined by the State on the basis of coordinated operation studies of initial project conservation facilities and additional project conservation facilities, which studies shall be based upon:

(1) The estimated relative proportion of deliveries for agricultural use to deliveries for municipal use for the year 1990, and the characteristic distributions of demands for these two uses throughout the year.

(2) An allowable reduction in the agricultural use portion of the minimum project yield, due to drought, of not to exceed fifty percent (50%) in any one year, nor a total of one hundred percent (100%) of one year's supply in any series of seven consecutive years.

(3) Agreements now in effect or as hereafter amended or supplemented between the State and the United States and others regarding the diversion or utilization of waters of the Delta or streams tributary thereto.

2. Table A of the contract entitled "Annual Entitlements Santa Barbara County Flood Control and Water Conservation District" is amended to read as follows:

TABLE A

ANNUAL ENTITLEMENTS
SANTA BARBARA COUNTY FLOOD CONTROL
AND WATER CONSERVATION DISTRICT

Year	Total Annual Amount in Acre-feet
1	1,200
2	2,300
3	4,600
4	6,900
5	10,400
6	17,300
7	23,100
8	28,800
9	35,800
10	46,100
11	57,700
And each succeeding year thereafter for the term of this contract:	57,700

3. Subdivision (c) of Article 12 is amended to read as follows:

(c) Limit on Rate of Delivery to Agency

In no event shall the State be obligated to deliver water to the Agency through all delivery structures at a total combined instantaneous rate of flow exceeding eighty (80) cubic feet per second, except as this rate of flow may be revised by amendment of this article after submission to the State of the Agency's requests with respect to maximum flow capacities to be provided in said delivery structures, pursuant to Article 10.

4. Subdivision (a) of Article 16 is amended to read as follows:

(a) Limit on Total of All Maximum Annual Entitlements

The Agency's maximum annual entitlement hereunder, together with the maximum annual entitlements of all other contractors, shall aggregate no more than the minimum project yield as defined herein and in no event more than 4,230,000 acre-feet of project water.

5. Article 46 is amended to read as follows:

46. Amendatory Provisions

(a) Surplus Water

Notwithstanding other provisions of this contract, surplus water for agricultural and ground water replenishment use shall be offered to contractors on the following basis. Before surplus water is sold for other than agricultural and ground water replenishment use, each contractor shall have the right, subject to the ability of the State to deliver such water and to the provisions of the next succeeding paragraph, to contract for agricultural and ground water replenishment use for a portion of the total amount of surplus water available in any year, in an amount which bears the same ratio to the total amount of surplus water available in that year as the sum of the annual entitlements, set forth in Table A of this contract, delivered to the contractor for agricultural and ground water replenishment use during the preceding three years bears to the total amount of such annual entitlements delivered for agricultural and ground water replenishment use during the preceding three years of all contractors

requesting surplus water: Provided, That if its proportion of such surplus water is not required by or cannot be delivered to any contractor, such amount of additional surplus water shall be offered to other contractors for agricultural and ground water replenishment use. During the first three years in which project water is delivered to a contractor, the State shall determine the amount of surplus water which the contractor may obtain based on the contractor's maximum annual entitlement and the estimated percentage of its annual entitlement to be delivered for agricultural and ground water replenishment use; but quantities so determined shall not exceed the contractor's annual entitlement for that year. For the purpose of computing the portion of the surplus water for agricultural and ground water replenishment use to which each contractor is entitled, the State shall determine the amounts of water used for agricultural and ground water replenishment use by each contractor in each year: Provided, That each contractor shall furnish certified copies of such records and data concerning the use of water within its boundaries as the State may request.

The provisions of this paragraph shall be applicable only to contractors in the San Joaquin Valley Service Area, contractors in the Southern California Service Area, and contractors in the Central Coastal Service Area. Before surplus water is sold for other than agricultural and ground water replenishment use, each such contractor shall have the right, subject to the ability of the State to deliver such water, to contract for agricultural and ground water replenishment use in accordance

with the following formula: contractors in the San Joaquin Valley Service Area shall have a right to contract for sixty-nine percent (69%) of the surplus water available at the Mile 18 Pumping Plant; contractors in the Southern California Service Area shall have a right to contract for twenty-nine percent (29%) of such water; and contractors in the Central Coastal Service Area shall have a right to contract for two percent (2%) of such water: Provided, That within each of these service areas, each contractor shall have the right to contract for agricultural and ground water replenishment use for a portion of the total amount of surplus water available to that service area in any year, in an amount which bears the same ratio to the total amount of surplus water available to the service area in that year as the sum of the annual entitlements, set forth in Table A of this contract, delivered to the contractor for agricultural and ground water replenishment use during the preceding three years bears to the total amount of such annual entitlements delivered for agricultural and ground water replenishment use during the preceding three years of all contractors in that service area requesting surplus water: Provided further, That if its proportion of such surplus water is not required by or cannot be delivered to any contractor, such amount of additional surplus water shall be offered to other contractors for agricultural and ground water replenishment use. During the first three years in which project water is delivered to a contractor, the State shall determine the amount of surplus water which the contractor may obtain based on the contractor's maximum annual entitlement and the estimated

percentage of its annual entitlement to be delivered for agricultural and ground water replenishment use; but quantities so determined shall not exceed the contractor's annual entitlement for that year. As used in this paragraph, "contractors in the San Joaquin Service Area" shall mean: Devil's Den Water District, Dudley Ridge Water District, Empire West Side Irrigation District, Hacienda Water District, Kern County Water Agency, and Tulare Lake Basin Water Storage District; "contractors in the Southern California Service Area" shall mean: Antelope Valley-East Kern Water Agency, City of West Covina, Coachella Valley County Water District, Crestline-Lake Arrowhead Water Agency, Desert Water Agency, Littlerock Creek Irrigation District, Mojave Water Agency, Palmdale Irrigation District, San Bernardino Valley Municipal Water District, San Gabriel Valley Municipal Water District, San Gorgonio Pass Water Agency, The Metropolitan Water District of Southern California, Upper Santa Clara Valley Water Agency, and Ventura County Flood Control District; "contractors in the Central Coastal Service Area" shall mean: San Luis Obispo County Flood Control and Water Conservation District, and Santa Barbara County Flood Control and Water Conservation District.

The provision of this paragraph shall be applicable only to a contractor to which the delivery of project water for municipal use as of 1990 is estimated by the State to be in excess of fifty percent (50%) of such contractor's maximum annual entitlement. For the purpose of fixing such contractor's right to delivery of surplus water, water from a watershed not tributary to the contractor's area which is delivered within the contractor's

boundaries for agricultural or ground water replenishment use shall be deemed to be part of the contractor's annual entitlement delivered for such use in computing the quantity of surplus water to which the contractor is entitled under this subdivision: Provided, That the contractor shall not be deemed to have used more than its annual entitlement, as set forth in Table A, for such use. Surplus water shall be deemed to be used by the contractor for agricultural or ground water replenishment use if an equal quantity of water imported from a watershed not tributary to the contractor's area is delivered within the contractor's boundaries for such use.

In providing for the delivery of surplus water to contractors pursuant to this subdivision, the State shall refuse to deliver such surplus water to any contractor to the extent that the State determines that such delivery would tend to encourage the development of an economy within the area served by such contractor which would be dependent upon the sustained delivery of water in excess of the contractor's maximum annual entitlement. In no event shall the quantity of surplus water made available in any year prior to 1986 to any contractor under this subdivision exceed the difference between its annual entitlement for that year and its maximum annual entitlement, except that, subject to provisions of the immediately preceding sentence, with respect to any contractor which under Table A of its contract is scheduled to receive its maximum annual entitlement prior to 1978, the quantity of surplus water made available in any year prior to 1986 under this subdivision may exceed such difference by not more than 3,000 acre-feet.

Surplus water for agricultural and ground water replenishment use shall be furnished at prices which will return to the State the variable operation, maintenance, power, and replacement components of the Delta Water Charge and Transportation Charge incurred in such service of surplus water as determined by the State. Surplus water delivered under this subdivision shall be limited to the quantity of water which can be delivered without adversely affecting the reliability, or increasing the cost, of service to meet annual entitlements. A surcharge shall be added to the rate for surplus water furnished to excess land in an amount and under the conditions specified in Article 30 of this contract. Contracts made pursuant to this subdivision may exceed one year in duration.

Except as herein modified, the provisions of Article 21 of this contract are hereby confirmed, and all surplus water not specifically allocated pursuant to this subdivision shall be sold under the provisions of Article 21. Nothing in this subdivision shall limit the right of the Agency to increase its annual entitlements as otherwise provided in this contract.

As used in this subdivision "ground water replenishment use" shall mean the use of project water exclusively by direct application to spreading basins, streambeds, or through other means of direct artificial recharge for the purpose of replenishing overdrawn ground water basins.

(b) Surcharge Credit

Notwithstanding other provisions of this contract, the State may allow a credit to each contractor not to exceed the surcharge paid by such contractor.

For the purpose of this contract, the surcharge credit shall be determined and applied in the following manner:

(1) The State shall, in each year after the year of initial water delivery, allow a credit to the Agency in the amount of the surcharge forwarded by the Agency to the State in the preceding year.

(2) The Agency shall not establish water rates, or tax or assessment rates, so as to cause the surcharge credit to be passed on to water users in a manner which will bring about a greater reduction in the cost per acre-foot of project water put to use on excess land than such cost of project water put to use on other than excess land.

This subdivision 46(b) shall be separable from all other provisions in this contract, and in the event that any or all of the provisions of this subdivision are in any manner or to any extent held to be invalid by final judgment or decree of a court of competent jurisdiction, such holding and such invalidity shall in no way affect the validity of, or make invalid, any other provision of this contract.

IN WITNESS WHEREOF, the parties hereto have executed this contract on the date first above written.

Approved as to legal form and sufficiency:

P. G. Townsend
Chief Counsel
Department of Water Resources

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

By W. E. Warne
Director

Approved as to form and execution:

ROBERT K. CUTLER, COUNTY COUNSEL

By David L. Griffith Jr.
Assistant County Counsel

SANTA BARBARA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

By David G. Grant
Chairman

ATTEST:
J. B. Lewis
Clerk

SOLANO COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

Location and Size

The District encompasses the entire area of Solano County. The County has an area of 529,300 acres and as of July 1, 1964, had an estimated population of 157,300.

Water Supply and Utilization

The water presently being used in the District is obtained from local ground water basins, the Sacramento River, and the Solano Project. These supplies are estimated to be ample to meet existing needs as well as expected increases in water use until 1980. Water from the State Water Project will be needed to satisfy the increase in water requirements occurring after that time.

Items of Contract Information Unique to Agency

Date of Contract - Preamble

December 26, 1963

Agency's Principal Place of Business - Preamble

Fairfield

Estimated Year of Initial Water Delivery - Article 6(a)

1980

Date of Request as to Delivery Structures - Article 10(b)

February 1, 1964

Limit on Instantaneous Rate of Delivery - Article 12(c)

77 cfs (Increased to 127 cfs by Amendment No. 1)

NOTES AND COMMENTS

E. SPECIAL PROVISIONS AND TABLES

45. SPECIAL PROVISIONS

(a) Notwithstanding other provisions of this contract, surplus water for agricultural and ground water replenishment use shall be offered to contractors on the following basis. Before surplus water is sold for other than agricultural and ground water replenishment use, each contractor shall have the right, subject to the ability of the State to deliver such water, to contract for agricultural and ground water replenishment use for a portion of the total amount of surplus water available in any year, in an amount which bears the same ratio to the total amount of surplus water available in that year as the sum of the annual entitlements, set forth in Table A of this contract, delivered to the contractor for agricultural and ground water replenishment use during the preceding three years bears to the total amount of such annual entitlements delivered for agricultural and ground water replenishment use during the preceding three years of all contractors requesting surplus water: *Provided*, That if its proportion of such surplus water is not required by or cannot be delivered to any contractor, such amount of additional surplus water shall be offered to other contractors for agricultural and ground water replenishment use. During the first three years in which project water is delivered to a contractor, the State shall determine the amount of surplus water which the contractor may obtain based on the contractor's maximum annual entitlement and the estimated percentage of its annual entitlement to be delivered for agricultural and ground water replenishment use; but quantities so determined shall not exceed the contractor's annual entitlement for that year. For the purpose of computing the portion of the surplus water for agricultural and ground water replenishment use to which each contractor is entitled, the State shall determine the amounts of water used for agricultural and ground water replenishment use by each contractor in each year: *Provided*, That each contractor shall furnish certified copies of such records and data concerning the use of water within its boundaries as the State may request.

Surplus water for agricultural and ground water replenishment use shall be furnished at prices which will return to the State the variable operation, maintenance, power, and replacement components of the Delta Water Charge and Transportation Charge incurred in such service of surplus water as determined by the State. A surcharge shall be added to the rate for surplus water furnished to excess land in an amount and under the conditions specified in Article 30 of this contract. Contracts made pursuant to this subdivision may exceed one year in duration.

Except as herein modified, the provisions of Article 21 of this contract are hereby confirmed, and all surplus water not specifically allocated pursuant to this subdivision shall be sold under the provisions of Article 21.

As used in this subdivision, "ground water replenishment use" shall mean the use of project water exclusively by direct application to spreading basins, streambeds, or through other means of direct artificial recharge for the purpose of replenishing overdrawn ground water basins.

(b) Surcharge Credit

Notwithstanding other provisions of this contract, the State may include provisions in water supply contracts allowing a credit to a contractor not to exceed the surcharge to be paid by such contractor: *Provided*, That such credit shall be utilized to reduce the cost of water for agricultural use on other than excess land at a uniform rate per acre-foot not to exceed two dollars ($2) per acre-foot. Any contract including provisions pursuant to this subdivision shall assure that the reductions in the contractors' obligations authorized by this subdivision are made available exclusively for the benefit of agricultural use on land other than excess land and are not directly or indirectly made available for the benefit of agricultural use on excess land.

(c) The Agency shall have the right to transport through the North Bay Aqueduct such quantities, as the Agency shall from time to time determine, of water other than project water: *Provided*, That the transportation of such water shall not, without the prior consent of the State and all other contractors taking water through the North Bay Aqueduct, materially deteriorate the quality of water received by such other contractors through the North Bay Aqueduct: *Provided further*, That the materiality of any deterioration of the quality of water delivered through the North Bay Aqueduct shall be determined by the State: *Provided further*, That the Agency's right under this subdivision is subject to the State's determination that such transportation of water will not interfere with the delivery of project water to other contractors: *Provided further*, That the variable component of the Transportation Charge paid by the Agency to the State shall include the operation, maintenance, power and replacement costs proportionately allocated to the transportation of such water other than project water.

(d) Notwithstanding the provisions of Article 10(d), any delivery structures requested by the Agency, other than delivery structures on the North Bay Aqueduct, may be located in any manner or place within the Delta and may be designed, constructed, operated, and maintained by the Agency, subject to prior written approval by the State of plans and specifications for any such structure: *Provided,* That diversion works of the City of Vallejo on Cache Slough existing on the date this contract is executed shall be deemed to be delivery structures constructed by the Agency pursuant to the provisions of this subdivision, and may be used to take delivery of project water: *Provided further,* That no water other than project water shall be diverted or delivered through delivery structures or works constructed hereafter pursuant to the provisions of this subdivision: *Provided further,* That the provisions of Article 10(d) shall apply to all delivery structures constructed by the State.

(e) Notwithstanding the provisions of Article 11, measuring devices and equipment to be installed in any delivery structure constructed by the Agency pursuant to subdivision (d) of this article shall be acquired and installed by the Agency, and maintained and operated by the State: *Provided,* That such measuring devices and equipment shall be satisfactory and acceptable to the State, and shall be installed under the supervision of the State: *Provided further,* That if the diversion works of the City of Vallejo on Cache Slough are used pursuant to subdivision (d) of this article to take delivery of project water, the measuring devices and equipment therein shall be maintained and operated by the State, and shall be replaced with devices and equipment satisfactory and acceptable to the State if in the judgment of the State the existing measuring devices and equipment are not satisfactory and acceptable: *Provided further,* That all of said devices and equipment shall be examined, tested and serviced regularly by the State to insure their accuracy, and that at any time or times the Agency or any other contractor may inspect such devices and equipment and the measurements and records taken therefrom: *Provided further,* That the provisions of Article 11 shall apply to measuring devices and equipment installed in delivery structures constructed by the State.

(f) The provisions of Article 19 of this contract shall not apply to any water diverted or delivered through delivery structures located at points within the Delta other than the North Bay Aqueduct.

(g) Notwithstanding the provisions of Article 13(a), neither the State nor any of its officers, agents, or employees shall be liable for the control, carriage, handling, use, disposal, or distribution of project water supplied to the Agency after such water has reached the delivery structures established in accordance with subdivision (d) of this article, nor for claims of damage of any nature whatsoever arising out of or connected with the control, carriage, handling, use, disposal, or distribution of such water after such water has reached such delivery structures; and the Agency shall indemnify and hold harmless the State and its officers, agents, and employees from any such damages or claims of damage.

(h) Notwithstanding the provisions of Article 13(b), neither the Agency nor any of its officers, agents, or employees shall be liable for the control, carriage, handling, use, disposal, or distribution of project water before such water has reached the delivery structures established in accordance with subdivision (d) of this article; nor for claims of damage of any nature whatsoever arising out of or connected with the control, carriage, handling, use, disposal, or distribution of such water before it has reached said delivery structures.

(i) Notwithstanding other provisions of this contract, nothing herein contained shall be construed as a waiver by the Agency of any rights it may have under the area of origin statutes, or under Part 4.5 of Division 6 of the Water Code, or as estopping or otherwise preventing the Agency or any person, firm, association, corporation, or public body or agency claiming by, through, or under the Agency from asserting by litigation or other lawful means the validity, constitutionality, construction, or application of any law of this State, including laws referred to in the Bond Act, or as preventing or prejudicing the right of any such entity to oppose the amendment or repeal of any such law.

(j) The State shall make no other contract to supply project water for use within the Agency's boundaries without the consent of the Agency.

(k) Notwithstanding other provisions of this contract, project water shall not be delivered to the Agency in any one month of any year in a total amount greater than eleven percent (11%) of that portion of the Agency's annual entitlement for that year to be put to municipal use, as determined by the State, and eighteen percent (18%) of that portion of the Agency's annual entitlement for that year to be put to agricultural use, as determined by the State.

(l) Notwithstanding the provisions of Article 17, the State shall, at the request of the Agency, increase the capacity of the North Bay Aqueduct, or any reach thereof, over that determined by the State to be necessary pursuant to Article 17(b): *Provided,* That the Agency notifies the State prior to the final design of the portion of the North Bay Aqueduct affected thereby of the location and extent of such increased capacity and makes arrangements satisfactory to the State whereby the Agency shall pay the capital cost in advance of construction, computed on the basis of proportionate use attributed to such increased capacity: *Provided further,* That the minimum operation, maintenance, power, and replacement component of the Transportation Charge to be paid by the Agency shall be determined by the State to reflect such increased capacity: *Provided further,* That the Agency shall request delivery capability to be provided by the State in each aqueduct reach of the project transportation facilities sufficient, in the judgment of the State, to deliver not less than 37,000 acre-feet of water annually at a flow rate which will deliver eleven percent (11%) of such quantity of water monthly to the Agency's turnout in the vicinity of the Cordelia Pumping Plant.

(m) Notwithstanding other provisions of this contract, allocation of capital cost of project transportation facilities pursuant to Article 24(b), and of minimum operation, maintenance power and replacement costs for project transportation facilities pursuant to Article 25(b), shall be based on delivery of not less than 37,000 acre-feet of project water annually at a flow rate which will deliver eleven percent (11%) of such quantity of water monthly to the Agency's turnout in the vicinity of the Cordelia Pumping Plant.

(n) Notwithstanding other provisions of this contract, the year of initial water delivery to the Agency for the purpose of establishing the year in which payments by the Agency under the variable operation, maintenance, power, and replacement component of the Transportation Charge shall commence pursuant to Article 29(d) shall be the year in which delivery of water through any portion of the North Bay Aqueduct commences regardless of the source of such water.

(o) The State shall not commence construction of any portion of the North Bay Aqueduct east of Cordelia until 1975 or such earlier date as may hereafter be agreed upon by the State, the Agency, and all other contractors taking water from the North Bay Aqueduct. Nothing herein shall be deemed to restrict the right of the State to acquire lands, easements and rights-of-way for any portion of the North Bay Aqueduct at such time or times as it may deem appropriate and desirable: *Provided,* That for the purpose of establishing the year in which the State commences construction of the project transportation facilities for the purposes of Article 29(b), such construction shall be deemed to commence in the year in which the State first acquires lands, easements or rights-of-way for any portion of the North Bay Aqueduct east of Cordelia.

TABLE A

ANNUAL ENTITLEMENTS
SOLANO COUNTY FLOOD CONTROL
AND
WATER CONSERVATION DISTRICT

Year	Total Annual Amount in Acre-feet
1	6,750
2	8,000
3	9,400
4	10,800
5	12,100
6	14,000
7	16,500
8	20,000
9	27,000
10	34,500
11	42,000
and each succeeding year thereafter, for the term of this contract as a Maximum Annual Entitlement.	42,000

TABLE H

PROJECT TRANSPORTATION FACILITIES
SOLANO COUNTY FLOOD CONTROL AND
WATER CONSERVATION DISTRICT

A North Bay Aqueduct extending to a turnout in the vicinity of the Cordelia Pumping Plant.

TABLE I

AQUEDUCT REACHES
SOLANO COUNTY FLOOD CONTROL AND
WATER CONSERVATION DISTRICT

Aqueduct Reach	Major Features of Reach
Lindsey Slough to Suisun City	Intake Canal Fish Protective Facilities Calhoun Pumping Plant Aqueduct
Suisun City to Cordelia Pumping Plant	Aqueduct

IN WITNESS WHEREOF, the parties hereto have executed

his contract on the date first above written.

pproved as to legal form
id sufficiency:

R. I. Connett

hief Counsel
epartment of Water Resources
. O. Box 388
acramento, California

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

By William E. Warne
Director

ttest:

Larry Ball

ounty Clerk and Ex-Officio Clerk
olano County Flood Control and
ater Conservation District
olano County Court House
airfield, California

SOLANO COUNTY FLOOD CONTROL
AND WATER CONSERVATION DISTRICT

By Colon O. Kilby
Chairman, Board of Directors

pproved ss to form:

Frederick Bordsen
Special Counsel

STATE OF CALIFORNIA

DEPARTMENT OF WATER RESOURCES

AMENDMENT NO. 1 TO THE WATER SUPPLY
CONTRACT BETWEEN THE STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES AND
SOLANO COUNTY FLOOD CONTROL AND WATER CONSERVATION
DISTRICT FOR A WATER SUPPLY

THIS CONTRACT, made this 28th day of September 1964, pursuant to the provisions of the California Water Resources Development Bond Act, the State Central Valley Project Act, and other applicable laws of the State of California, between the State of California, acting by and through its Department of Water Resources, herein referred to as the "State," and Solano County Flood Control and Water Conservation District, a public agency in the State of California, duly organized, existing, and acting pursuant to the laws thereof with its principal place of business in Fairfield, California, herein referred to as the "Agency,"

WITNESSETH, That:

WHEREAS, the State is authorized to construct and operate facilities for the storage and conveyance of water, certain of which facilities will make water available to the Agency; and

WHEREAS, the State and the Agency have entered into a water supply contract, dated December 26, 1963, providing that the State shall supply certain quantities of water to the Agency, and providing that the Agency shall make certain payments to the State, and setting forth the terms and conditions of such supply and such payment; and

WHEREAS, the State and the Agency are desirous of making certain changes and additions to such contract, while otherwise continuing the contract in full force and effect;

NOW THEREFORE, it is mutually agreed that the following changes and additions are hereby made to the Agency's water supply contract with the State:

1. Subdivision (k) of Article 1 is amended to read as follows:

(k) Minimum Project Yield

"Minimum project yield" shall mean the dependable annual supply of project water to be made available, estimated to be 4,230,000 acre-feet per year, said amount to be determined by the State on the basis of coordinated operation studies of initial project conservation facilities and additional project conservation facilities, which studies shall be based upon:

(1) The estimated relative proportion of deliveries for agricultural use to deliveries for municipal use for the year 1990, and the characteristic distributions of demands for these two uses throughout the year.

(2) An allowable reduction in the agricultural use portion of the minimum project yield, due to drought, of not to exceed fifty percent (50%) in any one year, nor a total of one hundred percent (100%) of one year's supply in any series of seven consecutive years.

(3) Agreements now in effect or as hereafter amended or supplemented between the State and the United States and others regarding the diversion or utilization of waters of the Delta or streams tributary thereto.

2. Subdivision (c) of Article 12 is amended to read as follows:

(c) Limit on Rate of Delivery to Agency

In no event shall the State be obligated to deliver water to the Agency through all delivery structures at a total combined instantaneous rate of flow exceeding 127 cubic feet per second, except as this rate of flow may be revised by amendment of this article after submission to the State of the Agency's requests with respect to maximum flow capacities to be provided in said delivery structures, pursuant to Article 10.

3. Subdivision (a) of Article 16 is amended to read as follows:

(a) Limit on Total of all Maximum Annual Entitlements

The Agency's maximum annual entitlement hereunder, together with the maximum annual entitlements of all other contractors, shall aggregate no more than the minimum project yield as defined herein and in no event more than 4,230,000 acre-feet of project water.

4. Subdivision (a) of Article 45 is amended to read as follows:

(a) Surplus Water

Notwithstanding other provisions of this contract, surplus water for agricultural and ground water replenishment use shall be offered to contractors on the following basis. Before surplus water is sold for other than agricultural and ground water replenishment use, each contractor shall have the right, subject to the ability of the State to deliver such water, to contract

for agricultural and ground water replenishment use for a portion of the total amount of surplus water available in any year, in an amount which bears the same ratio to the total amount of surplus water available in that year as the sum of the annual entitlements, set forth in Table A of this contract, delivered to the contractor for agricultural and ground water replenishment use during the preceding three years bears to the total amount of such annual entitlements delivered for agricultural and ground water replenishment use during the preceding three years of all contractors requesting surplus water: Provided, That if its proportion of such surplus water is not required by or cannot be delivered to any contractor, such amount of additional surplus water shall be offered to other contractors for agricultural and ground water replenishment use. During the first three years in which project water is delivered to a contractor, the State shall determine the amount of surplus water which the contractor may obtain based on the contractor's maximum annual entitlement and the estimated percentage of its annual entitlement to be delivered for agricultural and ground water replenishment use; but quantities so determined shall not exceed the contractor's annual entitlement for that year. For the purpose of computing the portion of the surplus water for agricultural and ground water replenishment use to which each contractor is entitled, the State shall determine the amounts of water used for agricultural and ground water replenishment use by each contractor in each year: Provided, That each contractor shall furnish certified copies of such records and data concerning the use of water within its boundaries as the State may request.

The provision of this paragraph shall be applicable only to a contractor to which the delivery of project water for municipal use as of 1990 is estimated by the State to be in excess of fifty percent (50%) of such contractor's maximum annual entitlement. For the purpose of fixing such contractor's right to delivery of surplus water, water from a watershed not tributary to the contractor's area which is delivered within the contractor's boundaries for agricultural or ground water replenishment use shall be deemed to be part of the contractor's annual entitlement delivered for such use in computing the quantity of surplus water to which the contractor is entitled under this subdivision: Provided, That the contractor shall not be deemed to have used more than its annual entitlement, as set forth in Table A, for such use. Surplus water shall be deemed to be used by the contractor for agricultural or ground water replenishment use if an equal quantity of water imported from a watershed not tributary to the contractor's area is delivered within the contractor's boundaries for such use.

In providing for the delivery of surplus water to contractors pursuant to this subdivision, the State shall refuse to deliver such surplus water to any contractor to the extent that the State determines that such delivery would tend to encourage the development of an economy within the area served by such contractor which would be dependent upon the sustained delivery of water in excess of the contractor's maximum annual entitlement. In no event shall the quantity of surplus water made available in any year prior to 1986 to any contractor under this subdivision

exceed the difference between its annual entitlement for that year and its maximum annual entitlement, except that, subject to provisions of the immediately preceding sentence, with respect to any contractor which under Table A of its contract is scheduled to receive its maximum annual entitlement prior to 1978, the quantity of surplus water made available in any year prior to 1986 under this subdivision may exceed such difference by not more than 3,000 acre-feet.

Surplus water for agricultural and ground water replenishment use shall be furnished at prices which will return to the State the variable operation, maintenance, power and replacement components of the Delta Water Charge and Transportation Charge incurred in such service of surplus water as determined by the State. Surplus water delivered under this subdivision shall be limited to the quantity of water which can be delivered without adversely affecting the reliability, or increasing the cost, of service to meet annual entitlements. A surcharge shall be added to the rate for surplus water furnished to excess land in an amount and under the conditions specified in Article 30 of this contract. Contracts made pursuant to this subdivision may exceed one year in duration.

Except as herein modified, the provisions of Article 21 of this contract are hereby confirmed, and all surplus water not specifically allocated pursuant to this subdivision shall be sold under the provisions of Article 21. Nothing in this subdivision shall limit the right of the Agency to increase its annual entitlements as otherwise provided in this contract.

As used in this subdivision "ground water replenishment use" shall mean the use of project water exclusively by direct application to spreading basins, streambeds, or through other means of direct artificial recharge for the purpose of replenishing overdrawn ground water basins.

5. Subdivision (b) of Article 45 is amended to read as follows:

(b) Surcharge Credit

Notwithstanding other provisions of this contract, the State may allow a credit to each contractor not to exceed the surcharge paid by such contractor.

For the purpose of this contract, the surcharge credit shall be determined and applied in the following manner:

(1) The State shall, in each year after the year of initial water delivery, allow a credit to the Agency in the amount of the surcharge forwarded by the Agency to the State in the preceding year.

(2) The Agency shall not establish water rates, or tax or assessment rates, so as to cause the surcharge credit to be passed on to water users in a manner which will bring about a greater reduction in the cost per acre-foot of project water put to use on excess land than such cost of project water put to use on other than excess land.

This subdivision 45(b) shall be separable from all other provisions in this contract, and in the event that any or all of the provisions of this subdivision are in any manner or to any extent held to be invalid by final judgment or decree of a court of

competent jurisdiction, such holding and such invalidity shall in no way affect the validity of, or make invalid, any other provision of this contract.

IN WITNESS WHEREOF, the parties hereto have executed this contract on the date first above written.

Approved as to legal form and sufficiency:

P. C. Townsend
Chief Counsel
Department of Water Resources

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

By William E. Warne

SOLANO COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

LARRY BALL
County Clerk and Ex Officio Clerk by Ellen Stanmer, Deputy
Solano County Flood Control and Water Conservation District
Solano County Court House
Fairfield, California

By Colon D. Kilby
Chairman

Approved as to form:

Special Counsel

TULARE LAKE BASIN WATER STORAGE DISTRICT

Location and Size

The District, which includes the Tulare Lake bed, is located in Kings County with a small part in Tulare County. The District, as of July 1, 1964, encompassed an area of 193,000 acres and had an estimated population of less than 50.

Water Supply and Utilization

The District's present water supply is obtained from the Kings, Kaweah, Tule and Kern Rivers and from ground water with the principal supplies from the Kings River and ground water. The surface supply varies from year to year depending upon the seasonal precipitation. Ground water is pumped to make up deficiencies during dry years and during the peak months of water use in all years. The District's water supply is and will continue to be utilized for irrigated agriculture.

Items of Contract Information Unique to Agency

Date of Contract - Preamble

December 20, 1963

Agency's Principal Place of Business - Preamble

Corcoran

Estimated Year of Initial Water Delivery - Article 6(a)

1968

Date of Request as to Delivery Structures - Article 10(b)

February 1, 1964

Limit on Instantaneous Rate of Delivery - Article 12(c)

270 cfs (Increased by Amendment No. 1 to 330 cfs.)

NOTES AND COMMENTS

E SPECIAL PROVISIONS AND TABLES

45. SPECIAL PROVISIONS

(a) Surplus Water

Notwithstanding other provisions of this contract, surplus water for agricultural and ground water replenishment use shall be offered to contractors on the following basis. Before surplus water is sold for other than agricultural and ground water replenishment use, each contractor shall have the right, subject to the ability of the State to deliver such water, to contract for agricultural and ground water replenishment use for a portion of the total amount of surplus water available in any year, in an amount which bears the same ratio to the total amount of surplus water available in that year as the sum of the annual entitlements, set forth in Table A of this contract, delivered to the contractor for agricultural and ground water replenishment use during the preceding three years bears to the total amount of such annual entitlements delivered for agricultural and ground water replenishment use during the preceding three years of all contractors requesting surplus water: *Provided,* That if its proportion of such surplus water is not required by or cannot be delivered to any contractor, such amount of additional surplus water shall be offered to other contractors for agricultural and ground water replenishment use. During the first three years in which project water is delivered to a contractor, the State shall determine the amount of surplus water which the contractor may obtain based on the contractor's maximum annual entitlement and the estimated percentage of its annual entitlement to be delivered for agricultural and ground water replenishment use; but quantities so determined shall not exceed the contractor's annual entitlement for that year. For the purpose of computing the portion of the surplus water for agricultural and ground water replenishment use to which each contractor is entitled, the State shall determine the amounts of water used for agricultural and ground water replenishment use by each contractor in each year: *Provided,* That each contractor shall furnish certified copies of such records and data concerning the use of water within its boundaries as the State may request.

Surplus water for agricultural and ground water replenishment use shall be furnished at prices which will return to the State the variable operation, maintenance, power, and replacement components of the Delta Water Charge and Transportation Charge incurred in such service of surplus water as determined by the State. A surcharge shall be added to the rate for surplus water furnished to excess land in an amount and under the conditions specified in Article 30 of this contract. Contracts made pursuant to this subdivision may exceed one year in duration.

Except as herein modified, the provisions of Article 21 of this contract are hereby confirmed, and all surplus water not specifically allocated pursuant to this subdivision shall be sold under the provisions of Article 21.

As used in this subdivision "ground water replenishment use" shall mean the use of project water exclusively by direct application to spreading basins, streambeds, or through other means of direct artificial recharge for the purpose of replenishing overdrawn ground water basins.

(b) Surcharge Credit

Notwithstanding other provisions of this contract, the State may include provisions in water supply contracts allowing a credit to a contractor not to exceed the surcharge to be paid by such contractor: *Provided,* That such credit shall be utilized to reduce the cost of water for agricultural use on other than excess land at a uniform rate per acre-foot not to exceed two dollars ($2) per acre-foot. Any contract including provisions pursuant to this subdivision shall assure that the reductions in the contractors obligations authorized by this subdivision are made available exclusively for the benefit of agricultural use on land other than excess land and are not directly or indirectly made available for the benefit of agricultural use on excess land.

For the purpose of this contract, the surcharge credit shall be determined and applied in the following manner:

(1) The Agency or any retail agency shall reduce the toll for each acre-foot of project water put to agricultural use on other than excess land by a surcharge credit which shall be determined by dividing the total amount of the surcharge collected by the agency in any year by the total number of acre-feet of project water put to agricultural use on other than excess land within the agency: *Provided,* That the surcharge credit shall not exceed two dollars ($2).

(2) For the purpose of preventing any reduction in the cost of project water put to use on excess land the tolls charged by the Agency or any retail agency for project water put to agricultural use on other than excess land shall be less than the tolls charged for project water put to use on excess land by an amount equal to the sum of the surcharge and the surcharge credit, and the Agency agrees not to take any action with respect to the taxing or assessment of property which will nullify or tend to nullify the differential in tolls required by this subdivision.

(3) In the event that a water user commingles project water with water from other sources or receives a commingled water supply from the Agency or a retail agency that has commingled project water with water from another source, the quantity of water upon which the surcharge credit is to be determined shall be the product of the amount of water used by the water user from the commingled supply and the ratio of the amount of project water in the commingled supply to the total amount of commingled water, from which product shall be subtracted the amount of project water, if any, for which the water user is required to make payment of a surcharge under the provisions of Article 30(e) (2) of this contract.

(4) Article 30(d) of this contract is modified to read as follows:

The Agency, to the extent that it delivers project water directly to the users thereof, shall require on behalf of the State that each such user on or before February 1 of each year, commencing with the year following the year of initial water delivery: (i) certify in writing to the Agency on forms prescribed and furnished by the State the description of the excess land owned by such user upon which project water is put to agricultural or manufacturing use, and the amount of project water put to agricultural or manufacturing use on auch land during the preceding year; (ii) pay to the Agency for the account of the State a surcharge for the amount of water so certified; and (iii) certify in writing to the Agency on forms prescribed and furnished by the State the description of the land other than excess land owned by auch user upon which project water is put to agricultural use, and the amount of project water put to agricultural use on such land during the preceding year. The Agency to the extent that it delivers project water to a retail agency or to another agency by, through, or under which such water is delivered to a retail agency, shall require on behalf of the State that each water user served by such retail agency be required to, on or before January 1S of each year, commencing with the year following the year of initial water delivery: (i) certify in writing to the retail agency on forms prescribed and furnished by the State the description of the excess land owned by such user upon which project water is put to agricultural or manufacturing use and the amount of project water put to agricultural or manufacturing use on such land during the preceding year; (ii) pay to the retail agency for the account of the State a surcharge for the amount of project water so certified; and (iii) certify in writing to the Agency on forms prescribed and furnished by the State the description of the land other than excess land owned by such user upon which project water is put to agricultural uae, and the amount of project water put to agricultural use on such land during the preceding year. The Agency and retail agency shall be entitled to rely upon the certifications furnished them by water users pursuant to this subdivision, unless notified by the State as to the inaccuracy of any such certification. Payments made to the Agency pursuant to this subdivision, together with the certifications supporting such payments, shall be forwarded to the State on or before March 1 of the year in which they are received. Payments made to a retail agency pursuant to this subdivision, together with the certifications supporting such payments, shall on behalf of the State be required to be forwarded to the Agency, which shall in turn forward them to the State on or before March 1 of the year in which they are received; except that where project water has been delivered to the retail agency by, through, or under any agency or agencies other than the Agency, such payments and certifications shall on behalf of the State be required to be forwarded by the retail agency to the agency from which it received project water and by that agency, et seq., to the Agency, which shall forward them to the State on or before March 1 of the year in which they are received.

(5) Commencing with the year following the year of initial water delivery, the State shall include in the written statement of charges furnished to the Agency for the succeeding year a reduction of charges equal to the total amount of the surcharge credit to which water users within the Agency were entitled during the year preceding the year in which such statement is made. After receiving such statement, the Agency shall credit the accounts of or make refunds to the water users of one-half of the surcharge credit due them effective not later than February 1 of the succeeding year and the balance not later than August 1 of that year.

(6) The remedies provided in Article 30(g) of this contract shall also be available to the State for the enforcement of this subdivision as against any retail agency or other agency by, through, or under which project water is delivered to a retail agency, or any water user.

(7) Where project water is delivered by the Agency to a retail agency or to another agency by, through, or under which project water is delivered to a retail agency, the Agency shall include the provisions of this subdivision 45(b) in any such contract and shall require its inclusion by any such agency in contracts under which it furnishes water to other agencies to the end that such provisions shall be included in any contract through which project water is furnished to a retail agency.

(8) This subdivision 45(b) shall be separable from all other provisions in this contract, and in the event that any or all of the provisions of this subdivision are in any manner or to any extent held to be invalid by final judgment or decree of a court of competent jurisdiction, such holding and such invalidity shall in no way affect the validity of, or make invalid, any other provision of this contract.

(c) Payment of Capital Cost Component of the Transportation Charge

The Agency shall completely pay its total allocated capital cost component of the Tranaportation Charge, together with interest thereon, within the project repayment period.

Notwithstanding any conflicting provisions in Articles 24(c), 24(e), and 29(b), the Agency's payments under the capital cost component of the Transportation Charge shall be determined as follows: the State shall determine a unit rate per acre-foot which will return to the State, during the project repayment period, the capital cost component of the Transportation Charge allocated to the Agency and interest thereon, computed at the project interest rate and compounded annually: *Provided,* That all unpaid interest shall be accumulated at the project interest rate, compounded annually, and added to the Agency's allocated capital costs. The Agency's annual payment for the capital cost component shall be the product of the unit rate and the Agency's annual entitlement. The Agency's repayment schedule for the capital cost component and the unit rate shall be set forth in Table D of this contract: *Provided,* That the amounts set forth in Table D shall be subject to redetermination by the State pursuant to Article 28. Payments by the Agency under the capital cost component of the Transportation Charge shall commence in the year of initial water delivery.

(d) Capacity in Transportation Facilities

The State shall provide sufficient capacity in the transportation facilities, subject to the provisions of Article 17(b), to deliver 18 percent of the Agency's annual entitlement in any month.

(e) Adjustment of Annual Entitlements

(1) Subject to approval by the State and similar rights of other contractors, the Agency may increase its annual entitlement for any year in which local water supplies available to the Agency are deficient due to climatic conditions up to the amount of its maximum annual entitlement: *Provided,* That such increase in delivery of water shall not interfere with the delivery of their respective annual entitlements to other contractors.

(2) In a year in which the Agency is unable to accept an amount of project water equal to its annual entitlement for that year because of above-average local water supply available to the Agency due to climatic conditions which occur subsequent to a year in which the Agency has increased its annual entitlement pursuant to paragraph (1) of this subdivision, the Agency may make a reduction in its annual entitlement which shall not exceed the sum of all prior increases in annual entitlement made under paragraph (1) of this subdivision less the sum of all prior decreases in annual entitlement made under this subdivision.

(3) In the event that, due to conditions of above-average local water supply available to the Agency because of favorable climatic conditions, the Agency in any year is unable to accept an amount of project water equal to its annual entitlement for said year as set forth in Table A of this contract the Agency shall remain obligated to make all payments required under this contract, including the capital cost component and the minimum operation, maintenance, power and replacement component of the Delta Water Charge: *Provided,* That the Agency's annual entitlement for said year is not reduced under the provision of paragraph (2) of this subdivision.

(4) In a year in which local water supplies available to the Agency are deficient because of climatic conditions which occur subsequent to a year in which deliveries to the Agency have been decreased under paragraph (3) of this subdivision the Agency may request and the State shall, consistant with similar rights of other contractors, deliver project water in an amount greater than the annual entitlement set forth for that year in Table A of this contract but not to exceed the sum of all prior amounts of project water not delivered to the Agency, but for which the Agency has paid the capital cost component and the minimum operation, maintenance, power and replacement component of the Delta Water Charge under paragraph (3) of this subdivision, less the sum of all prior deliveries of project water to the Agency under the provisions of this subdivision: *Provided,* That the sum of the annual entitlement of the Agency for that year and the amount of water delivered to the Agency in excess of its annual entitlement under this subdivision shall not exceed the maximum annual entitlement of the Agency: *Provided further,* That such increase in delivery of water shall not interfere with the delivery to other contractors of their respective annual entitlements.

(5) Notwithstanding provisions of Article 22, payments by the Agency pursuant to paragraphs (2) and (4) of this subdivision shall be such that the total payments to the State for the capital cost and minimum operation, maintenance, power and replacement components of the Delta Water Charge during the project repayment period shall be the same as if no change in annual entitlement had been made under paragraph (1) of this subdivision and no decrease in water delivery had been made under paragraph (3) of this subdivision.

(i) In the event of a decreased annual entitlement to the Agency under paragraph (2) of this subdivision, the Agency shall, in addition to the Delta Water Charge computed pursuant to Article 22(d), pay an amount which shall be the product of the amount of the decrease in the annual entitlement and the difference in the capital cost and minimum operation, maintenance, power and replacement components of the Delta Water Charge for that year and the same components of the Delta Water Charge for the appropriate year in which the annual entitlement was increased under paragraph (1) of this subdivision. The appropriate year for which the annual entitlement was so increased shall be the earliest year not offset by a decrease of annual entitlement pursuant to paragraph (2) of this subdivision.

(ii) In a year in which an increased quantity of water is furnished under paragraph (4) of this subdivision, the Delta Water Charge shall be computed pursuant to Article 22(d), and in addition the Agency shall pay an amount which shall be the product of such increase in quantity and the difference in the capital costs and minimum operation, maintenance, power and replacement components of the Delta Water Charge for that year and the same components of the Delta Water Charge for the appropriate previous year in which the delivery was less than the annual entitlement as provided under paragraph (3) of this subdivision. The appropriate previous year shall be the earliest year in which such water was not delivered under paragraph (3) of this subdivision which has not been offset by increased delivery under paragraph (4) of this subdivision.

(iii) For the purposes of this subdivision, the capital cost and minimum operation, maintenance, power and replacement components of the Delta Water Charge prior to December 31, 1969, shall be deemed to be three dollars and fifty cents ($3.50) per acre-foot of water less the variable operation, maintenance, power and replacement component rate computed under Article 22(c).

(f) **Provision for Years of Above-Normal Local Water Supply.**

Within the framework of the contract, particularly by the provisions of Article 15(a) and possible deferment of the delivery of annual entitlements, the State will work with the Agency to avoid loss to the Agency on account of its inability to accept project water in years when runoff is above normal in the watersheds tributary to Tulare Lake Basin, and the State will cooperate with the Agency in the preparation of any necessary contract amendments and their presentation to other contractors.

TABLE A

ANNUAL ENTITLEMENTS
TULARE LAKE BASIN WATER STORAGE DISTRICT

Year	Total Annual Amount in Thousands of Acre-feet
1	22.0
2	24.0
3	26.0
4	28.0
5	30.0
6	32.0
7	35.2
8	38.4
9	41.6
10	44.8
11	48.0
12	51.2
13	54.4
14	57.6
15	60.8
16	64.0
17	67.2
18	70.4
19	73.6
20	76.8
21	80.0
22	83.2
23	90.0
and each succeeding year thereafter, for the term of this contract as a Maximum Annual Entitlement:	90.0

TABLE H

PROJECT TRANSPORTATION FACILITIES
TULARE LAKE BASIN WATER STORAGE DISTRICT

A San Joaquin Valley–Southern California Aqueduct extending to Avenal Gap, to the extent such aqueduct is determined by the State to be required for water transportation.

TABLE I

AQUEDUCT REACHES
TULARE LAKE BASIN WATER STORAGE DISTRICT

Aqueduct Reach	Major Features of Reach
Delta to Discharge Delta Pumping Plant:	Intake Canal Fish Protective Facilities Delta Pumping Plant (Pumping Plant I)
Discharge Delta Pumping Plant to San Luis Forebay:	Aqueduct
San Luis Forebay:	San Luis Forebay and Forebay Dam
San Luis Forebay to Kettleman City:	Aqueduct Mile 18 Pumping Plant
Kettleman City to Avenal Gap:	Aqueduct

IN WITNESS WHEREOF, the parties hereto have executed this contract on the date first above written.

Approved as to legal form and sufficiency:

P. G. Tourney
Chief Counsel
Department of Water Resources
P. O. Box 388
Sacramento, California

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

By _____
Director

Attest:

_____
Secretary
Tulare Lake Basin Water Storage District
P. O. Box 415
Corcoran, California

TULARE LAKE BASIN WATER
STORAGE DISTRICT

By _____
President

By _____
Director

By _____
Director

By _____
Director

By _____
Director

By _____
Director

By _____
Director

By _____
Director

By _____
Director

By _____
Director

By _____
Director

Approved as to form and execution:

_____
Counsel

Approved:

_____
Engineer-Manager

STATE OF CALIFORNIA

DEPARTMENT OF WATER RESOURCES

AMENDMENT NO. 1 TO
CONTRACT BETWEEN THE STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES AND
TULARE LAKE BASIN WATER STORAGE DISTRICT
FOR A WATER SUPPLY

THIS CONTRACT, made this 30th day of December, 1963, pursuant to the provisions of the California Water Resources Development Bond Act, the State Central Valley Project Act, and other applicable laws of the State of California, between the State of California, acting by and through its Department of Water Resources, herein referred to as the "State," and Tulare Lake Basin Water Storage District, a public agency in the State of California, duly organized, existing, and acting pursuant to the laws thereof with its principal place of business in Corcoran, California, herein referred to as the "Agency,"

WITNESSETH, That:

WHEREAS, the State and the Agency have entered into a water supply contract, dated December 20, 1963, providing that the State shall supply certain quantities of water to the Agency, and providing that the Agency shall make certain payments to the State, and setting forth the terms and conditions of such supply and such payments; and

WHEREAS, the State and the Agency desire to make certain changes to the above-mentioned contract, while otherwise continuing the contract in full force and effect;

NOW THEREFORE, it is mutually agreed that the following changes are hereby made to the Agency's water supply contract with the State:

1. Table A is amended to read as follows:

TABLE A

ANNUAL ENTITLEMENTS
TULARE LAKE BASIN WATER STORAGE DISTRICT

Year	Total Annual Amount in Thousands of Acre-feet
1	26.9
2	29.3
3	31.8
4	34.2
5	36.7
6	39.1
7	43.0
8	46.9
9	50.8
10	54.8
11	58.7
12	62.6
13	66.5
14	70.4
15	74.3
16	78.2
17	82.1
18	86.0
19	90.0
20	93.9
21	97.8
22	101.7
23	110.0
and each succeeding year thereafter, for the term of this contract as a Maximum Annual Entitlement:	110.0

2. Article 12(c) is amended to read as follows:

(c) In no event shall the State be obligated to deliver water to the Agency through all delivery structures at a total combined instantaneous rate of flow exceeding 330 cubic

feet per second, except as this rate of flow may be revised by amendment of this article after submission to the State of the Agency's requests with respect to maximum flow capacities to be provided in said delivery structures, pursuant to Article 10.

IN WITNESS WHEREOF, the parties hereto have executed this contract on the date first above written.

Approved as to legal form and sufficiency:

P. A. Towner
Chief Counsel
Department of Water Resources

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

By William E. Warne
Director

Attest:

James T. McCue
Secretary
Tulare Lake Basin Water
Storage District

TULARE LAKE BASIN WATER
STORAGE DISTRICT

By Victor McStorm
President

STATE OF CALIFORNIA

DEPARTMENT OF WATER RESOURCES

AMENDMENT NO. 2 TO WATER SUPPLY
CONTRACT BETWEEN THE STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES AND
TULARE LAKE BASIN WATER STORAGE DISTRICT

THIS CONTRACT, made this 28th day of September 1964, pursuant to the provisions of the California Water Resources Development Bond Act, the State Central Valley Project Act, and other applicable laws of the State of California, between the State of California, acting by and through its Department of Water Resources, herein referred to as the "State," and Tulare Lake Basin Water Storage District, a public agency in the State of California, duly organized, existing, and acting pursuant to the laws thereof with its principal place of business in Corcoran, California, herein referred to as the "Agency,"

WITNESSETH, That:

WHEREAS, the State is authorized to construct and operate facilities for the storage and conveyance of water, certain of which facilities will make water available to the Agency; and

WHEREAS, the State and the Agency have entered into a water supply contract, dated December 20, 1963, as amended December 30, 1963, providing that the State shall supply certain quantities of water to the Agency, and providing that the Agency shall make certain payments to the State, and setting forth the terms and conditions of such supply and such payment; and

WHEREAS, the State and the Agency are desirous of making certain changes and additions to such contract, while otherwise continuing the contract in full force and effect;

NOW THEREFORE, it is mutually agreed that the following changes and additions are hereby made to the Agency's water supply contract with the State:

1. Subdivision (k) of Article 1 is amended to read as follows:

(k) Minimum Project Yield

"Minimum project yield" shall mean the dependable annual supply of project water to be made available, estimated to be 4,230,000 acre-feet per year, said amount to be determined by the State on the basis of coordinated operation studies of initial project conservation facilities and additional project conservation facilities, which studies shall be based upon:

(1) The estimated relative proportion of deliveries for agricultural use to deliveries for municipal use for the year 1990, and the characteristic distributions of demands for these two uses throughout the year.

(2) An allowable reduction in the agricultural use portion of the minimum project yield, due to drought, of not to exceed fifty percent (50%) in any one year, nor a total of one hundred percent (100%) of one year's supply in any series of seven consecutive years.

(3) Agreements now in effect or as hereafter amended or supplemented between the State and the United States

and others regarding the diversion or utilization of waters of the Delta or streams tributary thereto.

2. Subdivision (a) of Article 16 is amended to read as follows:

(a) Limit on Total of All Maximum Annual Entitlements

The Agency's maximum annual entitlement hereunder, together with the maximum annual entitlements of all other contractors, shall aggregate no more than the minimum project yield as defined herein and in no event more than 4,230,000 acre-feet of project water.

3. Subdivision (a) of Article 45 is amended to read as follows:

(a) Surplus Water

Notwithstanding other provisions of this contract, surplus water for agricultural and ground water replenishment use shall be offered to contractors on the following basis. Before surplus water is sold for other than agricultural and ground water replenishment use, each contractor shall have the right, subject to the ability of the State to deliver such water and to the provisions of the next succeeding paragraph, to contract for agricultural and ground water replenishment use for a portion of the total amount of surplus water available in any year, in an amount which bears the same ratio to the total amount of surplus water available in that year as the sum of the annual entitlements, set forth in Table A of this contract, delivered to the contractor for agricultural and ground water replenishment use during the preceding three years bears to the total amount of such annual entitlements delivered for agricultural and ground water replenishment use during the preceding three years of all contractors

requesting surplus water: Provided, That if its proportion of such surplus water is not required by or cannot be delivered to any contractor, such amount of additional surplus water shall be offered to other contractors for agricultural and ground water replenishment use. During the first three years in which project water is delivered to a contractor, the State shall determine the amount of surplus water which the contractor may obtain based on the contractor's maximum annual entitlement and the estimated percentage of its annual entitlement to be delivered for agricultural and ground water replenishment use; but quantities so determined shall not exceed the contractor's annual entitlement for that year. For the purpose of computing the portion of the surplus water for agricultural and ground water replenishment use to which each contractor is entitled, the State shall determine the amounts of water used for agricultural and ground water replenishment use by each contractor in each year: Provided, That each contractor shall furnish certified copies of such records and data concerning the use of water within its boundaries as the State may request.

The provisions of this paragraph shall be applicable only to contractors in the San Joaquin Valley Service Area, contractors in the Southern California Service Area, and contractors in the Central Coastal Service Area. Before surplus water is sold for other than agricultural and ground water replenishment use, each such contractor shall have the right, subject to the ability of the State to deliver such water, to contract for agricultural and ground water replenishment use in accordance with the following formula: contractors in the San Joaquin Valley Service Area shall have a right to contract for sixty-nine percent (69%) of the

surplus water available at the Mile 18 Pumping Plant; contractors in the Southern California Service Area shall have a right to contract for twenty-nine percent (29%) of such water; and contractors in the Central Coastal Service Area shall have a right to contract for two percent (2%) of such water: Provided, That within each of these service areas, each contractor shall have the right to contract for agricultural and ground water replenishment use for a portion of the total amount of surplus water available to that service area in any year, in an amount which bears the same ratio to the total amount of surplus water available to the service area in that year as the sum of the annual entitlements, set forth in Table A of this contract, delivered to the contractor for agricultural and ground water replenishment use during the preceding three years bears to the total amount of such annual entitlements delivered for agricultural and ground water replenishment use during the preceding three years of all contractors in that service area requesting surplus water: Provided, further, That if its proportion of such surplus water is not required by or cannot be delivered to any contractor, such amount of additional surplus water shall be offered to other contractors for agricultural and ground water replenishment use. During the first three years in which project water is delivered to a contractor, the State shall determine the amount of surplus water which the contractor may obtain based on the contractor's maximum annual entitlement and the estimated percentage of its annual entitlement to be delivered for agricultural and ground water replenishment use; but quantities so determined shall not exceed the contractor's annual entitlement for that year. As used in this paragraph, "contractors in the San Joaquin Service Area" shall mean: Devil's Den Water District,

Dudley Ridge Water District, Empire West Side Irrigation District, Hacienda Water District, Kern County Water Agency, and Tulare Lake Basin Water Storage District; "contractors in the Southern California Service Area" shall mean: Antelope Valley-East Kern Water Agency, City of West Covina, Coachella Valley County Water District, Crestline-Lake Arrowhead Water Agency, Desert Water Agency, Littlerock Creek Irrigation District, Mojave Water Agency, Palmdale Irrigation District, San Bernardino Valley Municipal Water District, San Gabriel Valley Municipal Water District, San Gorgonio Pass Water Agency, The Metropolitan Water District of Southern California, Upper Santa Clara Valley Water Agency, and Ventura County Flood Control District; "contractors in the Central Coastal Service Area" shall mean: San Luis Obispo County Flood Control and Water Conservation District and Santa Barbara County Flood Control and Water Conservation District.

The provision of this paragraph shall be applicable only to a contractor to which the delivery of project water for municipal use as of 1990 is estimated by the State to be in excess of fifty percent (50%) of such contractor's maximum annual entitlement. For the purpose of fixing such contractor's right to delivery of surplus water, water from a watershed not tributary to the contractor's area which is delivered within the contractor's boundaries for agricultural or ground water replenishment use

shall be deemed to be part of the contractor's annual entitlement delivered for such use in computing the quantity of surplus water to which the contractor is entitled under this subdivision: Provided, That the contractor shall not be deemed to have used more than its annual entitlement, as set forth in Table A, for such use. Surplus water shall be deemed to be used by the contractor for agricultural or ground water replenishment use if an equal quantity of water imported from a watershed not tributary to the contractor's area is delivered within the contractor's boundaries for such use.

In providing for the delivery of surplus water to contractors pursuant to this subdivision, the State shall refuse to deliver such surplus water to any contractor to the extent that the State determines that such delivery would tend to encourage the development of an economy within the area served by such contractor which would be dependent upon the sustained delivery of water in excess of the contractor's maximum annual entitlement. In no event shall the quantity of surplus water made available in any year prior to 1986 to any contractor under this subdivision exceed the difference between its annual entitlement for that year and its maximum annual entitlement, except that, subject to provisions of the immediately preceding sentence, with respect to any contractor which under Table A of its contract is scheduled to receive its maximum annual entitlement prior to 1978, the quantity of surplus water made available in any year prior to 1986 under this subdivision may exceed such difference by not more than 3,000 acre-feet.

Surplus water for agricultural and ground water replenishment use shall be furnished at prices which will return to the State the variable operation, maintenance, power, and replacement components of the Delta Water Charge and Transportation Charge incurred in such service of surplus water as determined by the State. Surplus water delivered under this subdivision shall be limited to the quantity of water which can be delivered without adversely affecting the reliability, or increasing the cost, of service to meet annual entitlements. A surcharge shall be added to the rate for surplus water furnished to excess land in an amount and under the conditions specified in Article 30 of this contract. Contracts made pursuant to this subdivision may exceed one year in duration.

Except as herein modified, the provisions of Article 21 of this contract are hereby confirmed, and all surplus water not specifically allocated pursuant to this subdivision shall be sold under the provisions of Article 21. Nothing in this subdivision shall limit the right of the Agency to increase its annual entitlements as otherwise provided in this contract.

As used in this subdivision "ground water replenishment use" shall mean the use of project water exclusively by direct application to spreading basins, streambeds, or through other means of direct artificial recharge for the purpose of replenishing overdrawn ground water basins.

IN WITNESS WHEREOF, the parties hereto have executed this contract on the date first above written.

Approved as to legal form and sufficiency:

P. C. Tower
Chief Counsel
Department of Water Resources

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

By William E. Warne
Director

Attest:

David Caldwell
Secretary

TULARE LAKE BASIN WATER STORAGE DISTRICT

By Stanley M. Barnes
Vice President

UPPER SANTA CLARA VALLEY WATER AGENCY

Location and Size

The Agency is located in Los Angeles County about 40 miles northwest of the city of Los Angeles. The Agency, as of July 1, 1964, encompassed an area of 86,100 acres and had an estimated population of 26,000.

Water Supply and Utilization

The entire water supply utilized within the Agency is obtained from underlying ground water basins. There are no streams within the Agency on which a dependable surface water supply could be developed. Water requirements in excess of the safe yield of the local ground water supply will be met with water from the State Water Project. Primary use of water in 1960 was for irrigated agriculture but by 1970 and thereafter the primary use is expected to be for municipal and industrial purposes.

Items of Contract Information Unique to Agency

Date of Contract - Preamble

April 30, 1963

Agency's Principal Place of Business - Preamble

Newhall

Estimated Year of Initial Water Delivery - Article 6(a)

1972

Date of Request as to Delivery Structures - Article 10(b)

June 30, 1963

Limit on Instantaneous Rate of Delivery - Article 12(c)

42 cfs (Increased by Amendment No. 2 to 48 cfs.)

NOTES AND COMMENTS

E. SPECIAL PROVISIONS AND TABLES

45. SPECIAL PROVISIONS

(a) On or before June 30, 1963, the Agency shall furnish to the State its written request specifying the year in which the first delivery of project water from the West Branch Aqueduct as defined in Table H of this contract shall be made to the Agency. The timing of first deliveries of project water from said Branch Aqueduct shall be as so requested by the Agency: *Provided,* That in the event said request is, in the judgment of the State, incompatible with similar requests received from other contractors to be served from or through said Branch Aqueduct, which contractors have executed contracts with the State on or before June 30, 1963, the timing of first deliveries of project water to the Agency and such other contractors from said Branch Aqueduct shall be as established by mutual agreement among the State, the Agency, and said contractors: *Provided further,* That if such agreement has not been reached on or before December 31, 1963, the State may then construct said Branch Aqueduct in accordance with such construction schedules as, in the judgment of the State, will best serve the interests of all those contractors whose service areas are located south of the South Portal of the Tehachapi Tunnels and which have executed contracts with the State on or before June 30, 1963.

(b) The State shall provide sufficient capacity in the transportation facilities, subject to the provisions of Article 17(b), to deliver 11 percent of the Agency's annual entitlement in each of four months in each year. Subject to the foregoing limitation, in scheduling deliveries under Article 12(a) the State will provide for up to 1/9 of the Agency's annual entitlement to be delivered in excess of a rate of 8 1/3 percent of the annual entitlement per month.

(c) The annexations to the Agency, authorized by Ordinance No. 3 of the Agency dated March 13, 1963, are deemed to be approved by the department within the meaning of Article 15(b) and are generally described as the Val Verde–Hasley Canyon Area annexation, comprising approximately 7,280 acres, situated westerly of the Agency.

TABLE A

ANNUAL ENTITLEMENTS
UPPER SANTA CLARA VALLEY WATER AGENCY

Year	Total annual amount In acre-feet
1	1,000
2	2,600
3	3,900
4	5,200
5	6,500
6	7,800
7	9,100
8	10,400
9	12,000
10	13,100
11	14,200
12	15,300
13	16,400
14	17,500
15	18,600
16	19,700
17	20,800
18	21,900
19	23,000
and each succeeding year thereafter, for the term of this contract as a Maximum Annual Entitlement:	23,000

TABLE H

PROJECT TRANSPORTATION FACILITIES
UPPER SANTA CLARA VALLEY WATER AGENCY

A San Joaquin Valley–Southern California Aqueduct extending to Castaic Reservoir on the West Branch Aqueduct defined below, to the extent such aqueduct is determined by the State to be required for water transportation.

> **"West Branch Aqueduct"** shall mean that portion of the San Joaquin Valley–Southern California Aqueduct specified in Section 12934(d) (2) of the Water Code extending from the Junction of East and West Branches to a terminus in the vicinity of Newhall, Los Angeles County.

TABLE I

AQUEDUCT REACHES
UPPER SANTA CLARA VALLEY WATER AGENCY

Aqueduct Reach	Major Features of Reach
Delta to Discharge Delta Pumping Plant:	Intake Canal Fish Protective Facilities Delta Pumping Plant (Pumping Plant I)
Discharge Delta Pumping Plant to San Luis Forebay:	Aqueduct
San Luis Forebay:	San Luis Forebay and Forebay Dam
San Luis Forebay to Kettleman City:	Aqueduct Mile 18 Pumping Plant
Kettleman City to Avenal Gap:	Aqueduct
Avenal Gap to Buena Vista Pumping Plant:	Aqueduct
Buena Vista Pumping Plant to Wheeler Ridge Pumping Plants I and II:	Buena Vista Pumping Plant Aqueduct
Wheeler Ridge Pumping Plants I and II to Tehachapi Pumping Plant:	Wheeler Ridge Pumping Plant I Wheeler Ridge Pumping Plant II Aqueduct
Tehachapi Pumping Plant to South Portal Tehachapi Tunnels:	Tehachapi Pumping Plant (Pumping Plant VI) Tehachapi Tunnels
South Portal Tehachapi Tunnels to Junction, East and West Branches:	Cottonwood Power Plant Aqueduct
WEST BRANCH	
Junction, East and West Branches to West Branch Terminal Reservoir:	Aqueduct West Branch Pumping Plant Power Development Plants
West Branch Terminal Reservoir:	Castaic Dam and Reservoir

IN WITNESS WHEREOF, the parties hereto have executed this contract on the date first above written.

Approved as to legal form and sufficiency:

P. G. Townsend

Chief Counsel
Department of Water Resources
P. O. Box 388
Sacramento, California

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

By William E. Warne
Director

Attest:

Helen L. Thompson
Secretary
P.O. Box 328
Newhall, California

UPPER SANTA CLARA VALLEY WATER AGENCY

By W. G. Bonelli Jr.
President

Approved as to form and execution:

Stanley C. Logsdon
Counsel

By Everett W. Nichols
Director

By Earl Schmidt
Director

By Quentin L. Wantz
Director

By Robert L. Essick
Director

By Roger C. Morey
Director

By E. Ray Fisher
Director

STATE OF CALIFORNIA

DEPARTMENT OF WATER RESOURCES

AMENDMENT NO. 1 TO WATER SUPPLY
CONTRACT BETWEEN THE STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES AND
UPPER SANTA CLARA VALLEY WATER AGENCY

THIS CONTRACT, made this 15th day of November 1963, pursuant to the provisions of the California Water Resources Development Bond Act, the State Central Valley Project Act, and other applicable laws of the State of California, between the State of California, acting by and through its Department of Water Resources, herein referred to as the "State," and Upper Santa Clara Valley Water Agency, a public agency in the State of California, duly organized, existing, and acting pursuant to the laws thereof with its principal place of business in Newhall, California, herein referred to as the "Agency,"

WITNESSETH, That:

WHEREAS, the State is authorized to construct and operate facilities for the storage and conveyance of water, certain of which facilities will make water available to the Agency; and

WHEREAS, the State and the Agency have entered into a water supply contract, dated April 30, 1963, providing that the State shall supply certain quantities of water to the Agency, and providing that the agency shall make certain payments to the State, and setting forth the terms and conditions of such supply and such payment; and

WHEREAS, the State and the Agency are desirous of making certain changes and additions to the above-mentioned contract, while otherwise continuing the contract in full force and effect;

NOW THEREFORE, it is mutually agreed that the following changes and additions are hereby made to the Agency's water supply contract with the State:

Article 46 is added to the contract to read as follows:

46. Amendatory Provisions

a. Surplus Water

Notwithstanding other provisions of this contract, surplus water for agricultural and ground water replenishment use shall be offered to contractors on the following basis. Before surplus water is sold for other than agricultural and ground water replenishment use, each contractor shall have the right, subject to the ability of the State to deliver such water, to contract for agricultural and ground water replenishment use for a portion of the total amount of surplus water available in any year, in an amount which bears the same ratio to the total amount of surplus water available in that year as the sum of the annual entitlements delivered to the contractor for agricultural and ground water replenishment use during the preceding three years bears to the total amount of the annual entitlements delivered for agricultural and ground water replenishment use during the preceding three years of all contractors requesting surplus water: Provided, That if its proportion of such surplus water is not required by or cannot be delivered to any contractor, such amount of additional surplus water shall be offered to other contractors for agricultural and

ground water replenishment use. During the first three years in which project water is deliver to a contractor, the State shall determine the amount of surplus water which the contractor may obtain based on the contractor's maximum annual entitlement and the estimated percentage of its annual entitlement to be delivered for agricultural and ground water replenishment use; but quantities so determined shall not exceed the contractor's annual entitlement for that year. For the purpose of computing the portion of the surplus water for agricultural and ground water replenishment use to which each contractor is entitled, the State shall determine the amounts of water used for agricultural and ground water replenishment use by each contractor in each year: Provided, That each contractor shall furnish certified copies of such records and data concerning the use of water within its boundaries as the State may request.

Surplus water for agricultural and ground water replenishment use shall be furnished at prices which will return to the State the variable operation, maintenance, power, and replacement components of the Delta Water Charge and Transportation Charge incurred in such service of surplus water as determined by the State. A surcharge shall be added to the rate for surplus water furnished to excess land in an amount and under the conditions specified in Article 30 of this contract. Contracts made pursuant to this subdivision may exceed one year in duration.

Except as herein modified, the provisions of Article 21 of this contract are hereby confirmed, and all surplus water not specifically allocated pursuant to this subdivision shall be sold

under the provisions of Article 21.

As used in this subdivision "ground water replenishment use" shall mean the use of project water exclusively by direct application to spreading basins, streambeds, or through other means of direct artificial recharge for the purpose of replenishing overdrawn ground water basins.

b. Surcharge Credit

Notwithstanding other provisions of this contract, the State may include provisions in water supply contracts allowing a credit to a contractor not to exceed the surcharge to be paid by such contractor: Provided, That such credit shall be utilized to reduce the cost of water for agricultural use on other than excess land at a uniform rate per acre-foot not to exceed two dollars ($2) per acre-foot. Any contract including provisions pursuant to this subdivision shall assure that the reductions in the contractors' obligations authorized by this subdivision are made available exclusively for the benefit of agricultural use on land other than excess land and are not directly or indirectly made available for the benefit of agricultural use on excess land.

IN WITNESS WHEREOF, the parties hereto have executed this contract on the date first above written.

Approved as to legal form and sufficiency:

P. G. Tourner
Chief Counsel
Department of Water Resources

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

By Wm. E. Warne
Director

Attest:

Helen L. Thompson
Secretary
P. O. Box 328
Newhall, California

UPPER SANTA CLARA VALLEY WATER AGENCY

By William L. Berelli
President

By

Approved as to form and execution:

Stanley C. Lagerlof
Counsel

STATE OF CALIFORNIA

DEPARTMENT OF WATER RESOURCES

AMENDMENT NO. 2 TO WATER SUPPLY
CONTRACT BETWEEN THE STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES AND
UPPER SANTA CLARA VALLEY WATER AGENCY

THIS CONTRACT, made this 22nd day of December 1964, pursuant to the provisions of the California Water Resources Development Bond Act, the State Central Valley Project Act, and other applicable laws of the State of California, between the State of California, acting by and through its Department of Water Resources, herein referred to as the "State", and Upper Santa Clara Valley Water Agency, a public agency in the State of California, duly organized, existing, and acting pursuant to the laws thereof with its principal place of business in Newhall, California, herein referred to as the "Agency",

WITNESSETH, That:

WHEREAS, the State is authorized to construct and operate facilities for the storage and conveyance of water, certain of which facilities will make water available to the Agency; and

WHEREAS, the State and the Agency have entered into a water supply contract, dated April 30, 1963, as amended November 15, 1963, providing that the State shall supply certain quantities of water to the Agency, and providing that the Agency shall make certain payments to the State, and setting forth the terms and conditions of such supply and such payment; and

WHEREAS, the maximum annual entitlements under all contracts executed by the State on or before December 31, 1963, did not aggregate the amount of the minimum project yield as defined in such water supply contract; and

WHEREAS, the Agency has elected to become entitled to a certain amount of the uncontracted for portion of the minimum project yield under the provisions of Article 8 of the above-mentioned contract and the State has determined that the Agency can put the water involved to beneficial use within a reasonable period of time; and

WHEREAS, one of such changes is that the minimum project yield will be increased from 4,000,000 to 4,230,000 acre-feet per year, which will result in changes in design and increases in size of facilities, particularly in the West Branch of the California Aqueduct; and

WHEREAS, the Agency has been informed by the State that its share of the cost of the project will not be increased as a result of such increase, and has further been informed by the State that such increase in the minimum project yield will bring about reductions in the Delta Water Charge and the Transportation Charge that would otherwise be paid by the Agency; and

WHEREAS, the State and the Agency are desirous of making certain other changes and additions to such contract, while otherwise continuing the contract in full force and effect;

NOW THEREFORE, it is mutually agreed that the following changes and additions are hereby made to the Agency's water supply contract with the State:

1. Subdivision (k) of Article 1 is amended to read as follows:

(k) Minimum Project Yield

"Minimum project yield" shall mean the dependable annual supply of project water to be made available, estimated to be 4,230,000 acre-feet per year, said amount to be determined by the State on the basis of coordinated operation studies of initial project conservation facilities and additional project conservation facilities, which studies shall be based upon:

(1) The estimated relative proportion of deliveries for agricultural use to deliveries for municipal use for the year 1990, and the characteristic distributions of demands for these two uses throughout the year.

(2) An allowable reduction in the agricultural use portion of the minimum project yield, due to drought, of not to exceed fifty percent (50%) in any one year, nor a total of one hundred percent (100%) of one year's supply in any series of seven consecutive years.

(3) Agreements now in effect or as hereafter amended or supplemented between the State and the United States and others regarding the diversion or utilization of waters of the Delta or streams tributary thereto.

2. Table A of the contract entitled "Annual Entitlements Upper Santa Clara Valley Water Agency" is amended to read as follows:

TABLE A

ANNUAL ENTITLEMENTS
UPPER SANTA CLARA VALLEY WATER AGENCY

Year	Total Annual Amount in Acre-feet
1	1,000
2	2,600
3	3,900
4	5,200
5	6,500
6	7,800
7	9,100
8	10,400
9	12,500
10	13,700
11	15,500
12	17,100
13	18,600
14	19,800
15	21,000
16	22,500
17	24,000
18	25,100
19	26,500
And each succeeding year thereafter, for the term of this contract:	26,500

3. Subdivision (c) of Article 12 is amended to read as follows:

(c) Limit on Rate of Delivery to Agency

In no event shall the State be obligated to deliver water to the Agency through all delivery structures at a total combined instantaneous rate of flow exceeding forty-eight (48) cubic feet per second, except as this rate of flow may be revised by amendments of this article after submission to the State of the Agency's requests with respect to maximum flow capacities to be provided in said delivery structures, pursuant to Article 10.

4. Subdivision (a) of Article 16 is amended to read as follows:

(a) Limit on Total of All Maximum Annual Entitlements

The Agency's maximum annual entitlement hereunder, together with the maximum annual entitlements of all other contractors, shall aggregate no more than the minimum project yield as defined herein and in no event more than 4,230,000 acre-feet of project water.

5. Subdivision (b) of Article 45 is amended to read as follows:

(b) The State shall provide sufficient capacity in the transportation facilities, subject to the provisions of Article 17(b), to deliver 11 percent of the Agency's annual entitlement in each of eight and one half months in each year. Subject to the foregoing limitation, in scheduling deliveries under Article 12(a) the State will provide for up to 22 2/3 percent of the Agency's annual entitlement to be delivered in excess of a rate of 8 1/3 percent of the annual entitlement per month.

6. Article 46 is amended to read as follows:

46. Amendatory Provisions

(a) Surplus Water

Notwithstanding other provisions of this contract, surplus water for agricultural and ground water replenishment use shall be offered to contractors on the following basis. Before surplus water is sold for other than agricultural and ground water replenishment use, each contractor shall have the right, subject to the ability of the State to deliver such water and to the

provisions of the next succeeding paragraph, to contract for agricultural and ground water replenishment use for a portion of the total amount of surplus water available in any year, in an amount which bears the same ratio to the total amount of surplus water available in that year as the sum of the annual entitlements, set forth in Table A of this contract, delivered to the contractor for agricultural and ground water replenishment use during the preceding three years bears to the total amount of such annual entitlements delivered for agricultural and ground water replenishment use during the preceding three years of all contractors requesting surplus water: Provided, That if its proportion of such surplus water is not required by or cannot be delivered to any contractor, such amount of additional surplus water shall be offered to other contractors for agricultural and ground water replenishment use. During the first three years in which project water is delivered to a contractor, the State shall determine the amount of surplus water which the contractor may obtain based on the contractor's maximum annual entitlement and the estimated percentage of its annual entitlement to be delivered for agricultural and ground water replenishment use; but quantities so determined shall not exceed the contractor's annual entitlement for that year. For the purpose of computing the portion of the surplus water for agricultural and ground water replenishment use to which each contractor is entitled, the State shall determine the amounts of water used for agricultural and ground water replenishment use by each contractor in each year: Provided, That each

contractor shall furnish certified copies of such records and data concerning the use of water within its boundaries as the State may request.

The provisions of this paragraph shall be applicable only to contractors in the San Joaquin Valley Service Area, contractors in the Southern California Service Area, and contractors in the Central Coastal Service Area. Before surplus water is sold for other than agricultural and ground water replenishment use, each such contractor shall have the right, subject to the ability of the State to deliver such water, to contract for agricultural and ground water replenishment use in accordance with the following formula: contractors in the San Joaquin Valley Service Area shall have a right to contract for sixty-nine percent (69%) of the surplus water available at the Mile 18 Pumping Plant; contractors in the Southern California Service Area shall have a right to contract for twenty-nine percent (29%) of such water; and contractors in the Central Coastal Service Area shall have a right to contract for two percent (2%) of such water: Provided, That within each of these service areas, each contractor shall have the right to contract for agricultural and ground water replenishment use for a portion of the total amount of surplus water available to that service area in any year, in an amount which bears the same ratio to the total amount of surplus water available to the service area in that year as the sum of the annual entitlements, set forth in Table A of this contract, delivered to the contractor for agricultural and ground water replenishment use during the preceding three years bears to the

total amount of such annual entitlements delivered for agricultural and ground water replenishment use during the preceding three years of all contractors in that service area requesting surplus water: Provided further, That if its proportion of such surplus water is not required by or cannot be delivered to any contractor, such amount of additional surplus water shall be offered to other contractors for agricultural and ground water replenishment use. During the first three years in which project water is delivered to a contractor, the State shall determine the amount of surplus water which the contractor may obtain based on the contractor's maximum annual entitlement and the estimated percentage of its annual entitlement to be delivered for agricultural and ground water replenishment use; but quantities so determined shall not exceed the contractor's annual entitlement for that year. As used in this paragraph, "contractors in the San Joaquin Service Area" shall mean: Devil's Den Water District, Dudley Ridge Water District, Empire West Side Irrigation District, Hacienda Water District, Kern County Water Agency, and Tulare Lake Basin Water Storage District; "contractors in the Southern California Service Area" shall mean: Antelope Valley-East Kern Water Agency, City of West Covina, Coachella Valley County Water District, Crestline-Lake Arrowhead Water Agency, Desert Water Agency, Littlerock Creek Irrigation District, Mojave Water Agency, Palmdale Irrigation District, San Bernardino Valley Municipal Water District, San Gabriel Valley Municipal Water District, San Gorgonio Pass Water Agency, The Metropolitan Water District of Southern California, Upper Santa Clara Valley Water Agency,

and Ventura County Flood Control District; "contractors in the Central Coastal Service Area" shall mean: San Luis Obispo County Flood Control and Water Conservation District and Santa Barbara County Flood Control and Water Conservation District.

The provision of this paragraph shall be applicable only to a contractor to which the delivery of project water for municipal use as of 1990 is estimated by the State to be in excess of fifty percent (50%) of such contractor's maximum annual entitlement. For the purpose of fixing such contractor's right to delivery of surplus water, water from a watershed not tributary to the contractor's area which is delivered within the contractor's boundaries for agricultural or ground water replenishment use shall be deemed to be part of the contractor's annual entitlement delivered for such use in computing the quantity of surplus water to which the contractor is entitled under this subdivision: Provided, That the contractor shall not be deemed to have used more than its annual entitlement, as set forth in Table A, for such use. Surplus water shall be deemed to be used by the contractor for agricultural or ground water replenishment use if an equal quantity of water imported from a watershed not tributary to the contractor's area is delivered within the contractor's boundaries for such use.

In providing for the delivery of surplus water to contractors pursuant to this subdivision, the State shall refuse to deliver such surplus water to any contractor to the extent that the State determines that such delivery would tend to encourage the development of an economy within the area served by such contractor which would be dependent upon the sustained delivery of

water in excess of the contractor's maximum annual entitlement. In no event shall the quantity of surplus water made available in any year prior to 1986 to any contractor under this subdivision exceed the difference between its annual entitlement for that year and its maximum annual entitlement, except that, subject to provisions of the immediately preceding sentence, with respect to any contractor which under Table A of its contract is scheduled to receive its maximum annual entitlement prior to 1978, the quantity of surplus water made available in any year prior to 1986 under this subdivision may exceed such difference by not more than 3,000 acre-feet.

Surplus water for agricultural and ground water replenishment use shall be furnished at prices which will return to the State the variable operation, maintenance, power, and replacement components of the Delta Water Charge and Transportation Charge incurred in such service of surplus water as determined by the State. Surplus water delivered under this subdivision shall be limited to the quantity of water which can be delivered without adversely affecting the reliability, or increasing the cost, of service to meet annual entitlements. A surcharge shall be added to the rate for surplus water furnished to excess land in an amount and under the conditions specified in Article 30 of this contract. Contracts made pursuant to this subdivision may exceed one year in duration.

Except as herein modified, the provisions of Article 21 of this contract are hereby confirmed, and all surplus water not specifically allocated pursuant to this subdivision shall be sold

under the provisions of Article 21. Nothing in this subdivision shall limit the right of the Agency to increase its annual entitlements as otherwise provided in this contract.

As used in this subdivision "ground water replenishment use" shall mean the use of project water exclusively by direct application to spreading basins, streambeds, or through other means of direct artificial recharge for the purpose of replenishing overdrawn ground water basins.

(b) Surcharge Credit

Notwithstanding other provisions of this contract, the State may allow a credit to each contractor not to exceed the surcharge paid by such contractor.

For the purpose of this contract, the surcharge credit shall be determined and applied in the following manner:

(1) The State shall, in each year after the year of initial water delivery, allow a credit to the Agency in the amount of the surcharge forwarded by the Agency to the State in the preceding year.

(2) The Agency shall not establish water rates, or tax or assessment rates, so as to cause the surcharge credit to be passed on to water users in a manner which will bring about a greater reduction in the cost per acre-foot of project water put to use on excess land than such cost of project water put to use on other than excess land.

This subdivision 46(b) shall be separable from all other provisions in this contract, and in the event that any or all of the provisions of this subdivision are in any manner or to any extent

held to be invalid by final judgment or decree of a court of competent jurisdiction, such holding and such invalidity shall in no way affect the validity of, or make invalid, any other provision of this contract.

IN WITNESS WHEREOF, the parties hereto have executed this contract on the date first above written.

Approved as to legal form and sufficiency:

For P. A. Towner
Chief Counsel
Department of Water Resources

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

By _____
Director

Approved as to form and execution:

_____

UPPER SANTA CLARA VALLEY WATER AGENCY

By _____

VENTURA COUNTY FLOOD CONTROL DISTRICT

Location and Size

The District encompasses all of Ventura County but some portions of the County have been annexed to the service areas of other agencies which have contracted for project water. The District, as of July 1, 1964, had an area of 965,000 acres and an estimated population of 141,300 exclusive of the population and area of those lands within the County which have been annexed to other agencies.

Water Supply and Utilization

The principal use of water in Ventura County is for irrigated agriculture. It is expected that in the future urban water requirements will increase at a rapid rate and irrigation requirements will decrease somewhat. The estimated safe yield of the County's water supplies is not adequate to meet the estimated future water requirements.

Items of Contract Information Unique to Agency

Date of Contract - Preamble

December 2, 1963

Agency's Principal Place of Business - Preamble

Ventura

Estimated Year of Initial Water Delivery - Article 6(a)

1980

Date of Request as to Delivery Structures - Article 10(b)

June 1, 1964

Limit on Instantaneous Rate of Delivery - Article 12(c)

37 cfs

NOTES AND COMMENTS

E. SPECIAL PROVISIONS AND TABLES

45. SPECIAL PROVISIONS

(a) Notwithstanding other provisions of this contract, surplus water for agricultural and ground water replenishment use shall be offered to contractors on the following basis. Before surplus water is sold for other than agricultural and ground water replenishment use, each contractor shall have the right, subject to the ability of the State to deliver such water, to contract for agricultural and ground water replenishment use for a portion of the total amount of surplus water available in any year, in an amount which bears the same ratio to the total amount of surplus water available in that year as the sum of the annual entitlements, set forth in Table A of this contract, delivered to the contractor for agricultural and ground water replenishment use during the preceding three years bears to the total amount of such annual entitlements delivered for agricultural and ground water replenishment use during the preceding three years of all contractors requesting surplus water: *Provided,* That if its proportion of such surplus water is not required by or cannot be delivered to any contractor, such amount of additional surplus water shall be offered to other contractors for agricultural and ground water replenishment use. During the first three years in which project water is delivered to a contractor, the State shall determine the amount of surplus water which the contractor may obtain based on the contractor's maximum annual entitlement and the estimated percentage of its annual entitlement to be delivered for agricultural and ground water replenishment use; but quantities so determined shall not exceed the contractor's annual entitlement for that year. For the purpose of computing the portion of the surplus water for agricultural and ground water replenishment use to which each contractor is entitled, the State shall determine the amounts of water used for agricultural and ground water replenishment use by each contractor in each year: *Provided,* That each contractor shall furnish certified copies of such records and data concerning the use of water within its boundaries as the State may request.

Surplus water for agricultural and ground water replenishment use shall be furnished at prices which will return to the State the variable operation, maintenance, power, and replacement components of the Delta Water Charge and Transportation Charge incurred in such service of surplus water as determined by the State. A surcharge shall be added to the rate for surplus water furnished to excess land in an amount and under the conditions specified in Article 30 of this contract. Contracts made pursuant to this subdivision may exceed one year in duration.

Except as herein modified, the provisions of Article 21 of this contract are hereby confirmed, and all surplus water not specifically allocated pursuant to this subdivision shall be sold under the provisions of Article 21.

As used in this subdivision "ground water replenishment use" shall mean the use of project water exclusively by direct application to spreading basins, streambeds, or through other means of direct artificial recharge for the purpose of replenishing overdrawn ground water basins.

(b) Notwithstanding other provisions of this contract, the State may include provisions in water supply contracts allowing a credit to a contractor not to exceed the surcharge to be paid by such contractor: *Provided,* That such credit shall be utilized to reduce the cost of water for agricultural use on other than excess land at a uniform rate per acre-foot not to exceed two dollars ($2) per acre-foot. Any contract including provisions pursuant to this subdivision shall assure that the reductions in the contractors' obligations authorized by this subdivision are made available exclusively for the benefit of agricultural use on land other than excess land and are not directly or indirectly made available for the benefit of agricultural use on excess land.

(c) The State shall provide sufficient capacity in the transportation facilities, subject to the provisions of Article 17(b), to deliver 11 percent of the Agency's annual entitlement in each of four months in each year. Subject to the foregoing limitation, in scheduling deliveries under Article 12(a) the State will provide for up to 1/9 of the Agency's annual entitlement to be delivered in excess of a rate of 8 1/3 percent of the annual entitlement per month.

TABLE A

ANNUAL ENTITLEMENTS
VENTURA COUNTY FLOOD CONTROL DISTRICT

Year	Total Annual Amount In Acre-Feet
1	1,000
2	2,000
3	3,000
4	4,000
5	5,000
6	6,000
7	8,000
8	10,000
9	13,000
10	16,000
11	20,000
and each succeeding year thereafter, for the term of this contract as a Maximum Annual Entitlement:	20,000

TABLE H

PROJECT TRANSPORTATION FACILITIES
VENTURA COUNTY FLOOD CONTROL DISTRICT

A San Joaquin Valley–Southern California Aqueduct extending to Castaic Reservoir on the West Branch Aqueduct defined below, to the extent such aqueduct is determined by the State to be required for water transportation.

> **"West Branch Aqueduct"** shall mean that portion of the San Joaquin Valley–Southern California Aqueduct specified in Section 12934(d) (2) of the Water Code extending from the Junction of East and West Branches to a terminus in the vicinity of Newhall, Los Angeles County.

TABLE I

AQUEDUCT REACHES
VENTURA COUNTY FLOOD CONTROL DISTRICT

Aqueduct Reach	Major Features of Reach
Delta to Discharge Delta Pumping Plant:	Intake Canal Fish Protective Facilities Delta Pumping Plant (Pumping Plant I)
Discharge Delta Pumping Plant to San Luis Forebay:	Aqueduct
San Luis Forebay:	San Luis Forebay and Forebay Dam
San Luis Forebay to Kettleman City:	Aqueduct Mile 18 Pumping Plant
Kettleman City to Avenal Gap:	Aqueduct
Avenal Gap to Buena Vista Pumping Plant:	Aqueduct
Buena Vista Pumping Plant to Wheeler Ridge Pumping Plants I and II:	Buena Vista Pumping Plant Aqueduct
Wheeler Ridge Pumping Plants I and II to Tehachapi Pumping Plant:	Wheeler Ridge Pumping Plant I Wheeler Ridge Pumping Plant II Aqueduct
Tehachapi Pumping Plant to South Portal Tehachapi Tunnels:	Tehachapi Pumping Plant (Pumping Plant VI) Tehachapi Tunnels
South Portal Tehachapi Tunnels to Junction, East and West Branches:	Cottonwood Power Plant Aqueduct
WEST BRANCH	
Junction, East and West Branches to West Branch Terminal Reservoir:	Aqueduct West Branch Pumping Plant Power Development Plants
West Branch Terminal Reservoir:	Castaic Dam and Reservoir

IN WITNESS WHEREOF, the parties hereto have executed this contract on the date first above written.

Approved as to legal form and sufficiency:

P. A. Towner

Chief Counsel
Department of Water Resources
P.O. Box 388
Sacramento, California

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

William E. Warne

Director

Attest:

Robert L. Hamm

Robert L. Hamm,
County Clerk, County of Ventura
State of California, and Ex Officio
Clerk of the Board of Supervisors
Ventura County Flood Control District
Ventura County Courthouse
Ventura, California

VENTURA COUNTY FLOOD CONTROL
DISTRICT

By Thomas Donald

J. K. MacDonald, Chairman
Board of Supervisors
Ventura County Flood Control District

Approved as to form and execution:

Woodruff J. Deem

Woodruff J. Deem, District Attorney

STATE OF CALIFORNIA

DEPARTMENT OF WATER RESOURCES

AMENDMENT NO. 1 TO WATER SUPPLY
CONTRACT BETWEEN THE STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES AND
VENTURA COUNTY FLOOD CONTROL DISTRICT

THIS CONTRACT, made this 28th day of September, 1964, pursuant to the provisions of the California Water Resources Development Bond Act, the State Central Valley Project Act, and other applicable laws of the State of California, between the State of California, acting by and through its Department of Water Resources, herein referred to as the "State," and Ventura County Flood Control District, a public agency in the State of California, duly organized, existing, and acting pursuant to the laws thereof with its principal place of business in Ventura, California, herein referred to as the "Agency,"

WITNESSETH, That:

WHEREAS, the State is authorized to construct and operate facilities for the storage and conveyance of water, certain of which facilities will make water available to the Agency; and

WHEREAS, the State and the Agency have entered into a water supply contract, dated December 2, 1963, providing that the State shall supply certain quantities of water to the Agency and providing that the Agency shall make certain payments to the State, and setting forth the terms and conditions of such supply and such payment; and

WHEREAS, the State and the Agency are desirous of aking certain changes and additions to such contract, while therwise continuing the contract in full force and effect;

NOW THEREFORE, it is mutually agreed that the following hanges and additions are hereby made to the Agency's water upply contract with the State:

1. Subdivision (k) of Article 1 is amended to read s follows:

(k) Minimum Project Yield

"Minimum project yield" shall mean the dependable nnual supply of project water to be made available, estimated to e 4,230,000 acre-feet per year, said amount to be determined by he State on the basis of coordinated operation studies of initial roject conservation facilities and additional project conservation acilities, which studies shall be based upon:

(1) The estimated relative proportion of deliveries or agricultural use to deliveries for municipal use for the year 1990, and the characteristic distributions of demands for these wo uses throughout the year.

(2) An allowable reduction in the agricultural use portion of the minimum project yield, due to drought, of not to exceed fifty percent (50%) in any one year, nor a total of one hundred percent (100%) of one year's supply in any series of seven consecutive years.

(3) Agreements now in effect or as hereafter amended or supplemented between the State and the United States and others regarding the diversion or utilization of waters of the Delta or streams tributary thereto.

2. Subdivision (a) of Article 16 is amended to read as follows:

(a) Limit on Total of all Maximum Annual Entitlements

The Agency's maximum annual entitlement hereunder, together with the maximum annual entitlements of all other contractors, shall aggregate no more than the minimum project yield as defined herein and in no event more than 4,230,000 acre-feet of project water.

3. Subdivision (a) of Article 45 is amended to read as follows:

(a) Notwithstanding other provisions of this contract, surplus water for agricultural and ground water replenishment use shall be offered to contractors on the following basis. Before surplus water is sold for other than agricultural and ground water replenishment use, each contractor shall have the right, subject to the ability of the State to deliver such water and to the provisions of the next succeeding paragraph, to contract for agricultural and ground water replenishment use for a portion of the total amount of surplus water available in any year, in an amount which bears the same ratio to the total amount of surplus water available in that year as the sum of the annual entitlements, set forth in Table A of this contract, delivered to the contractor for agricultural and ground water replenishment use during the preceding three years bears to the total amount of such annual entitlements delivered for agricultural and ground water replenishment use during the preceding three years of all contractors requesting surplus water: Provided, That if its proportion of such surplus water is not required by or cannot be delivered to

any contractor, such amount of additional surplus water shall be offered to other contractors for agricultural and ground water replenishment use. During the first three years in which project water is delivered to a contractor, the State shall determine the amount of surplus water which the contractor may obtain based on the contractor's maximum annual entitlement and the estimated percentage of its annual entitlement to be delivered for agricultural and ground water replenishment use; but quantities so determined shall not exceed the contractor's annual entitlement for that year. For the purpose of computing the portion of the surplus water for agricultural and ground water replenishment use to which each contractor is entitled, the State shall determine the amounts of water used for agricultural and ground water replenishment use by each contractor in each year: Provided, That each contractor shall furnish certified copies of such records and data concerning the use of water within its boundaries as the State may request.

The provisions of this paragraph shall be applicable only to contractors in the San Joaquin Valley Service Area, contractors in the Southern California Service Area, and contractors in the Central Coastal Service Area. Before surplus water is sold for other than agricultural and the ground water replenishment use, each such contractor shall have the right, subject to the ability of the State to deliver such water, to contract for agricultural and ground water replenishment use in accordance with the following formula: contractors in the San Joaquin Valley Service Area shall have a right to contract for sixty-nine percent (69%) of the surplus water available at the Mile 18 Pumping Plant; contractors in the Southern California Service Area shall have a right to

contract for twenty-nine percent (29%) of such water; and contractors in the Central Coastal Service Area shall have a right to contract for two percent (2%) of such water: Provided, That within each of these service areas, each contractor shall have the right to contract for agricultural and ground water replenishment use for a portion of the total amount of surplus water available to that service area in any year, in an amount which bears the same ratio to the total amount of surplus water available to the Service area in that year as the sum of the annual entitlements, set forth in Table A of this contract, delivered to the contractor for agricultural and ground water replenishment use during the preceding three years bears to the total amount of such annual entitlements delivered for agricultural and ground water replenishment use during the preceding three years of all contractors in that service area requesting surplus water: Provided, further, That if its proportion of such surplus water is not required by or cannot be delivered to any contractor, such amount of additional surplus water shall be offered to other contractors for agricultural and ground water replenishment use. During the first three years in which project water is delivered to a contractor, the State shall determine the amount of surplus water which the contractor may obtain based on the contractor's maximum annual entitlement and the estimated percentage of its annual entitlement to be delivered for agricultural and ground water replenishment use; but quantities so determined shall not exceed the contractor's annual entitlement for that year. As used in this paragraph, "contractors in the San Joaquin Service Area" shall mean: Devil's Den Water District, Dudley Ridge Water District, Empire West Side

Irrigation District, Hacienda Water District, Kern County Water Agency, and Tulare Lake Basin Water Storage District; "contractors in the Southern California Service Area" shall mean: Antelope Valley-East Kern Water Agency, City of West Covina, Coachella Valley County Water District, Crestline-Lake Arrowhead Water Agency, Desert Water Agency, Littlerock Creek Irrigation District, Mojave Water Agency, Palmdale Irrigation District, San Bernardino Valley Municipal Water District, San Gabriel Valley Municipal Water District, San Gorgonio Pass Water Agency, The Metropolitan Water District of Southern California, Upper Santa Clara Valley Water Agency, and Ventura County Flood Control District; "contractors in the Central Coastal Service Area" shall mean: San Luis Obispo County Flood Control and Water Conservation District and Santa Barbara County Flood Control and Water Conservation District.

The provision of this paragraph shall be applicable only to a contractor to which the delivery of project water for municipal use as of 1990 is estimated by the State to be in excess of fifty percent (50%) of such contractor's maximum annual entitlement. For the purpose of fixing such contractor's right to delivery of surplus water, water from a watershed not tributary to the contractor's area which is delivered within the contractor's boundaries for agricultural or ground water replenishment use shall be deemed to be part of the contractor's annual entitlement delivered for such use in computing the quantity of surplus water

to which the contractor is entitled under this subdivision: Provided, That the contractor shall not be deemed to have used more than its annual entitlement, as set forth in Table A, for such use. Surplus water shall be deemed to be used by the contractor for agricultural or ground water replenishment use if an equal quantity of water imported from a watershed not tributary to the contractor's area is delivered within the contractor's boundaries for such use.

In providing for the delivery of surplus water to contractors pursuant to this subdivision, the State shall refuse to deliver such surplus water to any contractor to the extent that the State determines that such delivery would tend to encourage the development of an economy within the area served by such contractor which would be dependent upon the sustained delivery of water in excess of the contractor's maximum annual entitlement. In no event shall the quantity of surplus water made available in any year prior to 1986 to any contractor under this subdivision exceed the difference between its annual entitlement for that year and its maximum annual entitlement, except that, subject to provisions of the immediately preceding sentence, with respect to any contractor which under Table A of its contract is scheduled to receive its maximum annual entitlement prior to 1978, the quantity of surplus water made available in any year prior to 1986 under this subdivision may exceed such difference by not more than 3,000 acre-feet.

Surplus water for agricultural and ground water replenishment use shall be furnished at prices which will return to the

State the variable operation, maintenance, power, and replacement components of the Delta Water Charge and Transportation Charge incurred in such service of surplus water as determined by the State. Surplus water delivered under this subdivision shall be limited to the quantity of water which can be delivered without adversely affecting the reliability, or increasing the cost, of service to meet annual entitlements. A surcharge shall be added to the rate for surplus water furnished to excess land in an amount and under the conditions specified in Article 30 of this contract. Contracts made pursuant to this subdivision may exceed one year in duration.

Except as herein modified, the provisions of Article 21 of this contract are hereby confirmed, and all surplus water not specifically allocated pursuant to this subdivision shall be sold under the provisions of Article 21. Nothing in this subdivision shall limit the right of the Agency to increase its annual entitlements as otherwise provided in this contract.

As used in this subdivision "ground water replenishment use" shall mean the use of project water exclusively by direct application to spreading basins, streambeds, or through other means of direct artificial recharge for the purpose of replenishing overdrawn ground water basins.

4. Subdivision (b) of Article 45 is amended to read as follows:

(b) Notwithstanding other provisions of this contract, the State may allow a credit to each contractor not to exceed the surcharge paid by such contractor.

For the purpose of this contract, the surcharge credit shall be determined and applied in the following manner:

(1) The State shall, in each year after the year of initial water delivery, allow a credit to the Agency in the amount of the surcharge forwarded by the Agency to the State in the preceding year.

(2) The Agency shall not establish water rates, or tax or assessment rates, so as to cause the surcharge credit to be passed on to water users in a manner which will bring about a greater reduction in the cost per acre-foot of project water put to use on excess land than such cost of project water put to use on other than excess land.

This subdivision 45(b) shall be separable from all other provisions in this contract, and in the event that any or all of the provisions of this subdivision are in any manner or to any extent held to be invalid by final judgment or decree of a court of competent jurisdiction, such holding and such invalidity shall in no way affect the validity of, or make invalid, any other provision of this contract.

IN WITNESS WHEREOF, the parties hereto have executed this contract on the date first above written.

Approved as to legal form and sufficiency:

P. G. Tourney
Chief Counsel
Department of Water Resources

Approved as to form and execution:

Paul L. McKaskle
Deputy District Attorney

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

By William E. Warne
Director

VENTURA COUNTY FLOOD CONTROL DISTRICT

By Thomas Donald
Chairman

TABLE 1

GENERAL DATA RELATING TO WATER SUPPLY CONTRACTORS

Agency	Location (county) and predominant type of water service	Original maximum annual entitlement (acre-feet)	Increase in maximum annual entitlement by amendment (acre-feet)	Maximum annual entitlement as of May 1, 1965 (acre-feet)	Area as of July 1, 1964 (acres)	Estimated population as of July 1, 1964
Alameda County Flood Control and Water Conservation District, Zone 7	Alameda - Urban	40,000	6,000	46,000	272,000	39,700
Alameda County Water District	Alameda - Urban	42,000	0	42,000	64,000	100,000
Antelope-Valley-East Kern Water Agency	Los Angeles, Kern & Ventura - Urban	120,000	18,400	138,400	1,503,300	86,800
City of West Covina	Los Angeles - Urban	10,000	1,500	11,500	9,100	62,200
City of Yuba City	Sutter - Urban	8,300	1,300	9,600	2,000	13,600
Coachella Valley County Water District	Riverside, Imperial & San Diego - Urban	20,000	3,100	23,100	617,000	52,000
County of Butte	Butte - Urban	27,500	0	27,500	1,075,600	92,000
Crestline-Lake Arrowhead Water Agency	San Bernardino - Urban	5,000	800	5,800	45,800	7,900
Desert Water Agency	Riverside - Urban	33,000	5,100	38,100	163,000	22,000
Devil's Den Water District	Kings & Kern - Agricultural	11,000	1,700	12,700	8,700	Less than 100
Dudley Ridge Water District	Kings - Agricultural	50,000	7,700	57,700	47,100 1/	Less than 50
Empire West Side Irrigation District	Kings - Agricultural	3,000	0	3,000	7,700	Less than 100
Hacienda Water District	Kings - Agricultural	8,500	0	8,500	15,300	Less than 50
Kern County Water Agency	Kern - Agricultural	1,000,000	153,400	1,153,400	4,379,400 4/	293,200 4/
Littlerock Creek Irrigation District	Los Angeles - Urban	2,000	300	2,300	11,300	1,300
Mojave Water Agency	San Bernardino - Urban	44,000	6,800	50,800	2,733,000	68,000
Napa County Flood Control and Water Conservation District	Napa - Urban	25,000	0	25,000	500,500	74,400
Oak Flat Water District	Stanislaus - Agricultural	5,700	0	5,700	2,200	Less than 50
Palmdale Irrigation District	Los Angeles - Urban	15,000	2,300	17,300	73,000	20,000
Plumas County Flood Control and Water Conservation District	Plumas - Urban	2,700	0	2,700	1,657,100	12,500
San Bernardino Valley Municipal Water District	San Bernardino - Urban	90,000	8,000	98,000	150,000	275,000
San Gabriel Valley Municipal Water District	Los Angeles - Urban	25,000	3,800	28,800	16,000	145,900
San Gorgonio Pass Water Agency	Riverside - Urban	15,000	2,300	17,300	131,000	27,000
San Luis Obispo County Flood Control and Water Conservation District	San Luis Obispo - Urban	25,000	0	25,000	2,128,600	95,700
Santa Barbara County Flood Control and Water Conservation District	Santa Barbara - Urban	50,000	7,700	57,700	1,756,800	231,000
Santa Clara County Flood Control and Water District	Santa Clara - Urban	88,000	12,000	100,000	849,300	853,500
Solano County Flood Control and Water Conservation District	Solano - Urban	42,000	0	42,000	529,300	157,300
The Metropolitan Water District of Southern California	Los Angeles, San Diego, Riverside, San Bernardino, Orange, & Ventura - Urban	1,500,000	500,000	2,000,000	2,825,300	9,200,000
Tulare Lake Basin Water Storage District	Kings & Tulare - Agricultural	90,000	20,000	110,000	193,000	Less than 50
Upper Santa Clara Valley Water Agency	Los Angeles - Urban	23,000	3,500	26,500	86,100	26,000
Ventura County Flood Control District	Ventura - Urban	20,000	0	20,000	965,000 2/ 3/	141,300 2/
Totals		3,435,700	770,700	4,206,400	22,817,500	12,098,500

1/ Dudley Ridge Water District has initiated proceedings for excluding 17,427 acres.

2/ The following values have been deleted from the Ventura County Flood Control District as they have been included in The Metropolitan Water District of Southern California service area: Area, 208,000 acres; population, 142,000.

3/ 6,000 acres have been deleted from the Ventura County Flood Control District and are included in the Antelope Valley-East Kern Water Agency service area.

4/ The following values have been deleted from the Kern County Water Agency as they have been included in the Antelope Valley East Kern Water Agency service area: Area, 850,700 acres; population, 26,000.

TABLE 2

TABULATION OF WATER SUPPLY CONTRACTORS
AND ITEMS OF CONTRACT INFORMATION UNIQUE TO EACH

Agency	Date of contract (Preamble)	Place of business (Preamble)	Year of initial delivery [Article 6(a)]	Date by which agency to furnish delivery structure requests [Article 10(b)]	Instantaneous flow rate in cfs [Article 12(c)]
* Alameda County Flood Control and Water Conservation District, Zone 7	November 20, 1961	Hayward	USBR 1962 Project 1967	December 31, 1961	80
* Alameda County Water District	November 29, 1961	Fremont	USBR 1962 Project 1967	December 31, 1961	84
Antelope Valley-East Kern Water Agency	September 20, 1962	Lancaster	1972	June 30, 1963	220
City of West Covina	December 2, 1963	West Covina	1972	June 1, 1964	17
City of Yuba City	December 30, 1963	Yuba City	1981	December 1, 1978	60
Coachella Valley County Water District	March 29, 1963	Coachella	1972	June 1, 1964	37
County of Butte	December 26, 1963	Oroville	1968	January 1, 1966	200
Crestline-Lake Arrowhead Water Agency	June 22, 1963	Crestline	1972	July 31, 1963	9
Desert Water Agency	October 17, 1962	Palm Springs	1972	June 30, 1963	60
Devil's Den Water District	December 20, 1963	Fresno	1968	February 1, 1964	33
Dudley Ridge Water District	December 13, 1963	Corcoran	1968	February 1, 1964	150
Empire West Side Irrigation District	December 30, 1963	Lemoore	1968	February 1, 1964	9
Hacienda Water District	December 20, 1963	Corcoran	1968	February 1, 1964	26
Kern County Water Agency	November 15, 1963	Bakersfield	1968	February 1, 1964	2820
Littlerock Creek Irrigation District	June 22, 1963	Littlerock	1972	June 30, 1963	3
Mojave Water Agency	June 22, 1963	Victorville	1972	June 30, 1963	80
Napa County Flood Control and Water Conservation District	December 19, 1963	Napa	1980	February 1, 1964	46
Oak Flat Water District	March 23, 1965	Westley	1968	March 23, 1965	17
Palmdale Irrigation District	February 2, 1963	Palmdale	1972	June 20, 1963	21
Plumas County Flood Control and Water Conservation District	December 26, 1963	Quincy	1967	March 1, 1963	8.25
* San Bernardino Valley Municipal Water District	December 30, 1960	San Bernardino	1972	June 30, 1963	165
San Gabriel Valley Municipal Water District	November 3, 1962	Alhambra	1972	June 30, 1963	35
San Gorgonio Pass Water Agency	November 16, 1962	Riverside County	1972	June 1, 1964	21
San Luis Obispo County Flood Control and Water Conservation District	February 26, 1963	San Luis Obispo	1980	January 1, 1975	35
Santa Barbara County Flood Control and Water Conservation District	February 26, 1963	Santa Barbara	1980	January 1, 1975	83
* Santa Clara County Flood Control and Water Conservation District**	November 20, 1961	San Jose	USBR 1964 Project 1967	December 31, 1961	180
Solano County Flood Control and Water Conservation District	December 26, 1963	Fairfield	1980	February 1, 1964	77
* The Metropolitan Water District of Southern California	November 4, 1960	Los Angeles	1972	June 30, 1963	2700
Tulare Lake Basin Water Storage District	December 20, 1963	Corcoran	1968	February 1, 1964	270
Upper Santa Clara Valley Water Agency	April 30, 1963	Newhall	1972	June 30, 1963	42
Ventura County Flood Control District	December 2, 1963	Ventura	1980	June 1, 1964	37

* Contracts of these agencies only reproduced in full.

** The name was changed to Santa Clara County Flood Control and Water District in 1964.

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